

8281. Also, petition of Western New York Federation of Women's Clubs, favoring the Brookhart bill; to the Committee on Foreign Affairs.

8282. By Mr. MILLIGAN: Petition of citizens of DeKalb County, Mo., urging the passage of the Frazier bill, Wheeler bill, and the Swank-Thomas bill at the present session of Congress; to the Committee on Agriculture.

8283. By Mr. ROGERS: Petition of the mayor and board of aldermen of the city of Manchester, N. H., urging the immediate payment in cash of the World War adjusted-compensation certificates; to the Committee on Ways and Means.

8284. By Mr. RUDD: Petition of Intercoastal Lumber Shippers Association, New York City, opposing the passage of Senate bill 4491; to the Committee on Interstate and Foreign Commerce.

8285. By Mr. SPARKS: Petition signed by Ralph Owens and A. L. Marshall, of Collyer, and 12 other farmers of Trego County, Kans., favoring the repeal of the agricultural marketing act; to the Committee on Agriculture.

SENATE

TUESDAY, JUNE 14, 1932

(Legislative day of Monday, June 13, 1932)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 1153) to provide for the incorporation of credit unions within the District of Columbia, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 3911) to authorize the Commissioners of the District of Columbia to close Quintana Place, between Seventh Street and Seventh Place NW., with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9557. An act to amend certain sections of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, relating to descent and distribution; and

H. R. 11638. An act to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes.

CALL OF THE ROLL

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Cutting	Jones	Reed
Bailey	Dale	Kean	Robinson, Ark.
Bankhead	Davis	Kendrick	Robinson, Ind.
Barbour	Dill	Keyes	Sheppard
Barkley	Fletcher	King	Thomas, Okla.
Blaine	Frazier	La Follette	Townsend
Borah	George	Logan	Trammell
Bratton	Glenn	McGill	Tydings
Bulow	Gore	McKellar	Vandenberg
Byrnes	Hale	McNary	Wagner
Capper	Harrison	Metcalf	Walsh, Mass.
Caraway	Hawes	Moses	Walsh, Mont.
Cohen	Hayden	Neely	Wheeler
Connally	Hebert	Norris	White
Coolidge	Howell	Nye	
Copeland	Hull	Patterson	
Costigan	Johnson	Pittman	

Mr. McNARY. I desire to announce that the following-named Senators are detained in a meeting of the Committee

on Banking and Currency: Mr. NORBECK, Mr. WATSON, Mr. COUZENS, Mr. GOLDSBOROUGH, Mr. STEIWER, Mr. WALCOTT, Mr. BROOKHART, Mr. CAREY, Mr. GLASS, and Mr. WAGNER.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum is present.

THE APPROPRIATION "GENERAL AND SPECIAL CLAIMS COMMISSIONS, UNITED STATES AND MEXICO, 1932" (S. DOC. NO. 106)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Department of State, for the General and Special Claims Commissions, United States and Mexico, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PROVISION PERTAINING TO AN APPROPRIATION UNDER THE TREASURY DEPARTMENT (S. DOC. NO. 107)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the Treasury Department, Office of the Supervising Architect, general expenses of public buildings, 1932, etc., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

UNEXPENDED BALANCES OF APPROPRIATIONS FOR THE MARINE CORPS, 1932 (S. DOC. NO. 108)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to the appropriations "Pay, Marine Corps, 1932," and "General Expenses, Marine Corps, 1932," affecting existing appropriations to provide that \$125,000 of the unexpended balances of appropriations for the Marine Corps for the fiscal year 1932 shall remain available until June 30, 1933, for the purpose of meeting additional obligations for pay and allowances of officers and enlisted men of the United States Marine Corps incident to their detail for duty in connection with the national election to be held in the Republic of Nicaragua in November, 1932, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a paper in the nature of a petition from Henry W. Diggs, of Baltimore, Md., praying for the passage of remedial legislation affecting the working conditions of substitute postal employees, which was referred to the Committee on Post Offices and Post Roads.

He also laid before the Senate a telegram in the nature of a memorial from W. A. Rankin, Kansas City, Mo., remonstrating against the passage of legislation providing for the immediate cash payment of veterans' compensation certificates (bonus), which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the council of the city of Macomb, Ill., favoring the passage of legislation authorizing a bond issue of not to exceed \$5,000,000,000 to assist municipalities in financing public-improvement projects, so as to aid employment, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Southern California Sector, Society of the First Division, American Expeditionary Forces, Los Angeles, Calif., favoring the passage of legislation authorizing a \$5,000,000,000 bond issue to inaugurate a program of public improvements so as to relieve the unemployment situation, which was ordered to lie on the table.

He also laid before the Senate telegrams in the nature of memorials from Charles Weisberg, secretary Organization Branch, No. 170, International Workers Order, of Chelsea; Wolf Viner, secretary Branch No. 28, International Workers Order, of Roxbury; W. Z. Caspar, Secretary Boston district, International Workers Order; M. Gelman, secretary Organ-

ization Central Committee Jewish Children Schools, of Boston, and Rema LaPouse, for National Student League (Boston district), representing students in 10 Massachusetts colleges, all of Boston, in the State of Massachusetts; P. Panchyshyn, secretary, L. Vorona, chairman, Ukrainian Labor Club (Inc.), and the United Ukrainian Toilers Organizations, by Kniazewich, secretary, both of New York City, N. Y., remonstrating against the passage of the so-called Dies bill, being the bill H. R. 12044 to provide for the exclusion and expulsion of alien communists, which were ordered to lie on the table.

Mr. GLENN presented papers in the nature of petitions from officers and directors of building and loan associations and sundry citizens, all in the State of Illinois, praying for the passage of the legislation known as the Watson-Luce home loan bank bill, which were referred to the Committee on Banking and Currency.

Mr. COPELAND presented a petition of sundry citizens of Port Jervis, Orange County, N. Y., praying for the passage in the Senate of a companion measure of the so-called Patman bill in the House of Representatives, providing for the immediate cash payment of adjusted-service certificates (bonus) of the World War veterans, which was referred to the Committee on Finance.

Mr. REED presented a resolution adopted by the Philadelphia County Council of the American Legion of Pennsylvania, favoring the calling of conventions of the people, to be held in the several States, for the purpose of deciding in the name of the people the question of the repeal of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

Mr. ASHURST presented a telegram in the nature of a memorial from the Brunswick Drug Co., of Tucson, Ariz., remonstrating against the passage of legislation providing for the immediate cash payment of veterans' adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

He also presented a telegram in the nature of a memorial from James A. McGuire, of Tucson, Ariz., remonstrating against the passage of legislation adversely affecting the status of disabled emergency officers, which was referred to the Committee on Military Affairs.

He also presented telegrams in the nature of petitions from J. D. Halstead Lumber Co., by Albert A. Hayes, receiver, Halloran Bennett Lumber Co., O'Malley Lumber Co., Foxworth-McCalla Lumber Co., and Halstead Lumber Co., all of Phoenix, Ariz., praying for the passage of legislation providing a system of Federal home-loan banks, which were referred to the Committee on Banking and Currency.

AMENDMENT OF AGRICULTURAL MARKETING ACT—MEMORIALS

Mr. ROBINSON of Arkansas. Mr. President, I present a number of telegrams having relation to the bill now under consideration by the Senate. I ask that they may be noted in the RECORD and lie on the table.

The telegrams in the nature of memorials remonstrating against the passage of the bill (S. 4536) to amend the agricultural marketing act approved June 15, 1929, and other similar measures, presented by Mr. ROBINSON of Arkansas and ordered to lie on the table, are from J. R. Alexander, of Scott, and Mark Valentine, C. N. Alexander, and Harold A. Young, of Little Rock, all in the State of Arkansas.

IMPORTS OF FOREIGN STEEL

Mr. DAVIS. Mr. President, I desire to bring to the attention of this Congress the seriousness of the importation of steel products made in foreign countries and which in the last year deprived 237,130 American steel workers of one week's full-time employment.

The full details of this matter are contained in the following communication from the Bittenbender Co., of Scranton, Pa., which I desire to have inserted in the RECORD.

There being no objection, the communication was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

SCRANTON, PA., June 11, 1932.

Senator JAMES J. DAVIS,
Washington, D. C.

HONORABLE SIR: You are no doubt familiar with the fact the Scranton School District have just awarded a contract for the construction of the new junior high school in West Scranton.

As distributors of iron and steel products, we, of course, were interested in the sale of the required steel bars among which are a number to be used as reinforcing in the plastering job. S. & W. Crunden, plastering contractors in our city, hope to get this job, in which event they would like to place the steel order with us or some other local distributor. However, they have had competitive figures from a Philadelphia distributor, which figures were so far below our cost we could not understand how that could be possible so the matter was taken up with the Jones & Laughlin Steel Co., our source of supply. Upon doing so we learned, much to our disgust, that the lower prices quoted S. & W. Crunden covered foreign steel, which material Mr. Crunden will have to figure on for the simple reason that those against whom he is competing will undoubtedly do so.

We are informed by the Jones & Laughlin Steel Co. that the very lowest price they can consider—which price under present conditions is undoubtedly below actual cost—is \$2.89 per hundred-weight f. o. b. Scranton. This price of \$2.89 per hundredweight is the equivalent of \$11.56 per thousand feet of material. The price quoted S. & W. Crunden on the foreign steel is \$7.50 per thousand feet, so you can readily see how impossible it is for American manufacturers to meet this competition.

Knowing the local authorities would, if it were possible, prevent the use of this foreign steel in the construction of the new school, the writer has taken the matter up with them; but, of course, there is nothing they can do about it, inasmuch as its use is not excluded in the original plans and specifications that the general contractor had in figuring the job.

We are bringing this to your attention in detail, urging your support of the Hawley bill, H. R. 8698, when it is brought before the Senate.

We are informed by the American Steel Warehouse Association, of Philadelphia, that it is estimated approximately 237,130 men lost a week's work in 1931 due to the importation of all grades of steel. Statistics show that in 1931, 369,923 net tons of all classes of steel were imported, causing a loss to our steel industry, with corresponding loss to thousands of workers who mine the ore, the coal operators and their employees, the loss of tonnage of railroads on the raw materials and coal, all of which aggravated the unemployment situation.

We know this will receive your careful consideration, and thanking you, we are,

Yours very truly,

THE BITTENBENDER CO.,
C. S. SEAMANS, Sales Manager.

BACK TO THE FARM

Mr. FLETCHER. Mr. President, I have in my hand a communication signed by Maj. G. M. Randall, M. D., of Daytona Beach, Fla., relative to the "back to the farm" movement, which was published in a recent issue of Truth and Justice, of Jacksonville, Fla., which presents some views worthy of consideration. I ask unanimous consent to have the communication printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the communication was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

[From the Truth and Justice, June 10, 1932]

BACK TO THE FARM

Georgia, Florida, and Alabama are one great rich empire. Alabama is the great beautiful park, capable of supporting with ease and luxury as many people to the square mile as is Massachusetts or Connecticut, which have about 630 people to the square mile. Florida has about 30 people to the square mile; Georgia and Alabama, about 40 to the square mile. Georgia and Alabama could assimilate and support all of the 8,000,000 unemployed people. Florida alone could do this with ease. In neither of these States could a man, woman, or child freeze or starve.

It is a reproach on the intelligence of the Nation that we do not do for our deserving people what other countries do for their people who need encouragement and assistance. Nothing is gained to the individual or the Nation by a dole or anything that resembles a dole. Many projects suggested are little better than a dole. Railroads, canals, and post offices are necessary. Highways and schools are factors of civilization. But before we have all of these things we must have need for them and ability to support them. We need sustenance before we need luxuries. Before bank accounts come food, shelter, and the comforts of home.

Now, what's to do? Let the counties, States, and the Federal Government get together, combine forces, cooperate, and populate these misused acres, these unusual acres.

We have State departments of agriculture with county agents to assist and advise the new farmers. We have the United States Department of Agriculture, which expends more money than any other department of the United States Government, and expends it well.

There are thousands of deserted farms and farm buildings that could be rehabilitated to individual, State, and National advantage. There is not a railroad running north and south that would decline to assist in the transportation of honest homeseekers to places in the South.

Winter is coming. Why not take time by the forelock instead of by the horns? Get about a million of these people down here building shacks and log cabins, repairing old houses, getting

ready for 1933 crops. Conduct the thing along military lines. They have to be assisted. Why not assist them to assist themselves later? This is not the last year they are going to need to make a living.

All of this talk about an excess of agricultural products is bunk. The fault is merchandizing and transportation. We are not advising farmers to try raising a money crop the first year. It is a grub stake that interests him just now. After his family is fed and have a roof over their heads he can talk about a money crop and bank account, but until our banking system is properly diagnosed and treated, the farmer is better off with a full corn crib and a few hogs than he is with a few hundred dollars in the bank. There ought to be less talk about cash and more about hogs and hominy.

G. M. RANDALL, M. D.

Major Medical Corps, United States Army (retired).

DAYTONA BEACH, FLA., May 20, 1932.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H. R. 9058) to authorize the Secretary of War to accept on behalf of the United States a tract or parcel of land for park purposes, to the Chickamauga-Chattanooga National Military Park, reported it without amendment and submitted a report (No. 827) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4065) authorizing the packing of oleomargarine and adulterated butter in tin and other suitable packages, reported it with amendments and submitted a report (No. 828) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. REED, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. Daniel Wray De Prez, Indiana National Guard, to be brigadier general, reserve, from June 10, 1932; and also sundry nominations of officers in the Regular Army.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably several nominations of postmasters.

The VICE PRESIDENT. The nominations will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEYES (for Mr. SWANSON):

A bill (S. 4881) for the relief of Florence Hudgins Lindsay and Elizabeth Lindsay; to the Committee on Claims.

By Mr. WALCOTT:

A bill (S. 4882) granting a pension to Sadie Bromberg (with accompanying papers); to the Committee on Pensions.

REIMBURSEMENT OF LOSSES OF COOPERATIVE MARKETING ASSOCIATIONS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to introduce a bill, and I request that it may be printed in the RECORD and appropriately referred.

There being no objection, the bill (S. 4883) directing the Federal Farm Board to assume certain losses of cooperative marketing associations, and to prevent further sales during 1932 of wheat and cotton under the control of said board, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That if any cooperative marketing association has incurred losses as a result of activities in which it was required to engage by the terms of any contract by which it received a loan from the Federal Farm Board, the board is authorized and directed to reimburse such association for such losses. So far as possible, such reimbursement shall be by cancellation of outstanding obligations or any part thereof of such association to the board; but if such losses exceed the amount of such obligations, reimbursement as to the remainder shall be by payment out of the revolving fund created by the agricultural marketing act.

SEC. 2. The Federal Farm Board shall take such steps as are necessary to prevent the selling of any wheat or cotton by any stabilization corporation during the remainder of the calendar year 1932. There are hereby authorized to be appropriated, from time to time, such sums as may be necessary to reimburse such corporations for expenses resulting from carrying out the provisions of this section.

PUBLIC-WORKS PROGRAM—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 12445) to relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation, and to create employment by authorizing and expediting a public-works program and providing a method of financing such program, which was referred to the Committee on Banking and Currency and ordered to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on the District of Columbia:

H. R. 9557. An act to amend certain sections of the Code of Law for the District of Columbia, approved March 3, 1901, as amended, relating to descent and distribution; and

H. R. 11638. An act to amend section 7 of an act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, and for other purposes.

INCORPORATION OF DISABLED AMERICAN VETERANS OF WORLD WAR

Mr. WALSH of Montana. Mr. President, on yesterday I reported from the Committee on the Judiciary a bill (H. R. 4738) to incorporate Disabled American Veterans of the World War. This organization of most deserving citizens, who have suffered in the cause of their country, is to have its national convention at San Diego during the following week. The officers of the organization are just leaving to take part in that convention. Under these circumstances I feel moved to ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following persons, to wit, Robert S. Marx, of Ohio; William J. Donovan, of New York; H. G. Lightner, of Kentucky; A. B. Powell, of Alabama; Glenn E. Miner, of Arizona; George H. H. Pratt, of Arkansas; Volney P. Mooney, jr., of California; A. E. Sherlock, of Colorado; Peter Nugent, of Connecticut; Miles H. Draper, of Florida; William E. Tate, of Georgia; Jesse J. McQueen, of Idaho; Herman H. Welmer, of Illinois; S. G. Smelser, of Indiana; Henry J. Bitters, of Iowa; E. C. Moore, of Kansas; L. C. Mayeux, of Louisiana; F. J. McCarthy, of Maine; George W. Golden, of Maryland; J. W. McQueen, of Missouri; Leon C. Waite, of Massachusetts; L. E. Sharp, of Michigan; George E. Leach, of Minnesota; Quintus E. Camp, of Mississippi; John W. Mahan, of Montana; Leonard D. Densmore, of Nebraska; I. A. Lougaris, of Nevada; E. P. Badger, of New Hampshire; W. J. Dodd, of New Jersey; Carl F. Whittaker, of New Mexico; Malcolm Smith, of North Carolina; H. J. Muehlenbein, of North Dakota; Fletcher Riley, of Oklahoma; Lille Dalley, of Oregon; J. J. O'Leary, of Pennsylvania; Arthur Cole, of Rhode Island; G. G. Blackman, of South Carolina; Albert Hauge, of South Dakota; Reuben D. Hays, of Tennessee; M. A. Harlan, of Texas; Gaylen S. Young, of Utah; Malvern S. Ellis, of Vermont; George D. Simmons, of Virginia; Miles Price, of Washington; W. J. O'Neil, of West Virginia; Rev. G. Stearns, of Wisconsin; and such persons as may be chosen who are members of the Disabled American Veterans of the World War, and their successors, are hereby created and declared to be a body corporate. The name of this corporation shall be the "Disabled American Veterans of the World War."

SEC. 2. That said persons named in section 1, and such other persons as may be selected from among the membership of the Disabled American Veterans of the World War, an unincorporated patriotic society of the wounded and disabled soldiers, sailors, and marines of the Great War of 1917-18, are hereby authorized to meet to complete the organization of said corporation by the selection of officers, the adoption of a constitution and by-laws, and to do all other things necessary to carry into effect the provisions of this act, at which meeting any person duly accredited as a delegate from any local or State organizations of the existing unincorporated organization known as the Disabled American Veterans of the World War shall be permitted to participate in the proceedings thereof.

SEC. 3. That the purposes of this corporation shall be:

To uphold and maintain the Constitution and the laws of the United States; to realize the true American ideals and aims for which those eligible to membership fought; to advance the interests and work for the betterment of all wounded, injured, and disabled veterans of the World War; to cooperate with the United States Veterans' Administration and all other public and private agencies devoted to the cause of improving and advancing the condition, health, and interests of wounded, injured, or disabled veterans of the World War; to stimulate a feeling of mutual devotion, helpfulness, and comradeship among all wounded, injured, or disabled veterans of the World War; and to encourage in all

people that spirit of understanding which will guard against future wars.

Sec. 4. That the corporation created by this act shall have the following powers: To have perpetual succession with power to sue and be sued in courts of law and equity; to receive, hold, own, use, and dispose of such real estate and personal property as shall be necessary for its corporate purposes; to adopt a corporate seal and alter the same at pleasure; to adopt a constitution, by-laws, and regulations to carry out its purposes, not inconsistent with the laws of the United States or any State; to use in carrying out the purposes of the corporation such emblems and badges as it may adopt; to establish and maintain offices for the conduct of its business; to establish State and Territorial organizations and local chapter or post organizations; to publish a newspaper or other publications devoted to the purposes of the corporation; and generally to do any and all such acts and things as may be necessary and proper in carrying into effect the purposes of the corporation.

Sec. 5. That no person shall be a member of this corporation unless he—

Any man or woman who was wounded, gassed, injured, or disabled in line of duty while in the service of either the military or naval forces of the United States between the dates of April 6, 1917, and July 2, 1921, and who was in the service between the dates of April 6, 1917, and November 11, 1918, and who received an honorable discharge, is eligible for membership in the Disabled American Veterans. Others who were disabled while serving with any of the armed forces of the nations associated with the United States during the World War and who are now American citizens and were honorably discharged are also eligible. There are no honorary members.

Sec. 6. That the organization shall be nonpolitical, nonsectarian, as an organization shall not promote the candidacy of any persons seeking public office.

Sec. 7. That said corporation may acquire any or all of the assets of the existing unincorporated national organization known as the Disabled American Veterans of the World War, upon discharging or satisfactorily providing for the payment and discharge of all its liabilities.

Sec. 8. That said corporation and its State and local subdivisions shall have the sole and exclusive right to have and to use in carrying out its purposes the name the "Disabled Veterans of the World War."

Sec. 9. That the said corporation shall, on or before the 1st day of January in each year, make and transmit to the Congress a report of its proceedings for the preceding calendar year, including a full and complete report of its receipts and expenditures: *Provided, however,* That said report shall not be printed as a public document.

Sec. 10. That as a condition precedent to the exercise of any power or privilege herein granted or conferred the Disabled American Veterans of the World War shall file in the office of the secretary of each State in which posts, chapters, or subdivisions thereof may be organized the name and post-office address of an authorized agent in such State upon whom legal process or demands against the Disabled American Veterans of the World War may be served.

Sec. 11. That the right to repeal, alter, or amend this act at any time is hereby expressly reserved.

PHILIPPINE INDEPENDENCE—ADDRESS BY MRS. OSIAS

Mr. HAWES. Mr. President, as in America, the Philippine women are taking an interest in securing freedom for their islands.

The Filipino women occupy an unusually high place in their nation. All historians testify to this. They usually keep the bank account and the savings. They are the financial managers. Their chief passion is education of their children. They will make any sacrifice to send them to school.

One of these very intelligent and patriotic women is the wife of the industrious, scholarly Commissioner from the Philippines.

I ask unanimous consent to insert the address of Mrs. Idefonsa C. Osias before the Woman's National Party, June 1, 1932, Washington, D. C., in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FILIPINO WOMAN AND PHILIPPINE POLITICS

I am glad to be with you once again. Last time I was asked to speak before this organization, I attempted to picture to you the general condition of the people of the Philippine Islands and the status of women in society. This time I was asked specifically to speak for a few minutes on the Filipino Woman and Philippine Politics.

Before speaking directly upon the topic, I believe it is necessary to impress upon you that the Filipino woman occupies a high place in our social organization. I believe that it will be generally admitted that the Filipino woman exerts her greatest influence in the institution where she is the queen, namely, the home. She is essentially a family person. Her most important mission is done in her capacity as a home lover and home maker.

I think you will find the testimonies of writers to be unanimous in according her great importance within the family as she has control of the family purse.

Let me quote a typical observation from a man who, from long contact and study, is qualified to speak of social conditions in the islands. Former Governor General Forbes in his book, the *Philippine Islands* (Vol. I, p. 17), says:

"The Christian Filipino woman holds a very different position in the family from that given to her sisters in India or in most oriental countries. She is usually the business manager of the household, keeps the keys, does the providing, receives all cash earned by any member of the family, including the proceeds from the farm produce, and supervises the expenditure. It is she who makes the budget. A man who fails to turn in his receipts for his wife's direction somewhat injures his standing in the community."

Filipino women have shouldered their full share in the life of our people. This is true not only in time of peace but even in war. At present Filipino women are not only active in family affairs but in business affairs. In agriculture, as well as in commerce, they are actively engaged.

Furthermore, they are active in the professions. They are each year increasing in numbers in the professions of teaching, nursing, pharmacy, medicine, and law. Their number is destined to grow rapidly because one of the most significant signs of progress in the Philippines in recent years has been the increasing proportion of girls and young women in the secondary schools, colleges, and universities in the Philippines.

Now, you ask me, "Do you have woman suffrage?" My answer is "No." But this does not mean that the Filipino women have no part or influence in public affairs or in governmental or in political affairs. Will my American sisters admit that they had no influence in the affairs of this Nation before they had suffrage? I am sure they were as important in the early life of the people and Government of this country as they have been since they were by law entitled to vote. In fact, I have been told by some of my woman friends that mere suffrage has not brought about such a radical change as the women had expected. I have also been informed, although I do not vouch for its accuracy, that some women are not as much interested in politics after they secured the right to vote as they were while they were fighting for the right of suffrage.

Now, I do not want you to misunderstand me. I am personally in favor of woman suffrage. I have worked for it and will continue to work for it. You should, however, know certain facts which have a bearing upon the existing situation.

Under the present government, not even our men had the right to vote for insular or national officials until Congress passed a law establishing the Philippine Assembly. This assembly was the lower house in our lawmaking body inaugurated in 1907. We were not given a senate and the house of representatives until Congress passed a law authorizing the creation of the Philippine Legislature in 1916. And I assure you that in the elections held in the Philippines, we, the Filipino women, have had a greater part than the outside world will ever know and, I may add, more than the candidates who won or were defeated will ever admit.

You who are familiar with the long struggle extending over a period of so many years before the American women enjoyed the right of suffrage will readily understand that, in reality, we have scarcely begun in our fight in the Philippines.

I should also inform you that the law governing the management of our government to-day was the act of Congress passed in 1916. This law, among other things, prescribed the qualifications of voters and candidates. These qualifications were limited to men, and women were excluded.

These are the qualifications prescribed by the act of your Congress:

"Every male person," please note that—"every male person who is not a citizen or subject of a foreign power, 21 years of age or over (except insane and feeble-minded persons and those convicted in a court of competent jurisdiction of an infamous offense since the 13th day of August, 1898), who shall have been a resident of the Philippines for one year and of the municipality in which he shall offer to vote for six months next preceding the day of voting, and who is comprised within one of the following classes:

"(a) Those who under existing law are legal voters and have exercised the right of suffrage.

"(b) Those who own real property to the value of 500 pesos, or who annually pay 30 pesos or more of the established taxes.

"(c) Those who are able to read and write either Spanish, English, or a native language." (Philippine autonomy act—act of Congress of August 29, 1916; Public, No. 240, 64th Cong., sec. 15.)

The amendment to the Constitution regarding woman suffrage has not been made applicable to the Philippines.

From these it is clear why things are as they are in the Philippines.

It should be stated that there is general interest in elections in the islands. I think it is at least in part due to the work and influence of women. At each general election which was so far held, from 85 per cent to 92 per cent of the Philippine voters who can vote actually vote. I understand this is much higher than the proportion voting in the United States.

You might also be interested to know that several employers and officials in the government are women; that there are women in charge of some of the larger and important schools and colleges;

that there are women in various boards of governmental and private bodies and organizations; and that they have a controlling voice in various organizations undertaking works of mercy, of charity, of uplift, and of reform.

Let me impress upon my friends here who are in sympathy with the desires of the Filipino women for suffrage that militant efforts are not welcomed by the men in the islands and are contrary to the nature of our women. It is not in accord with our national custom. We can best achieve political concessions and other reforms by quiet work and dignified methods.

We, the women of the islands, are wholeheartedly identified with our brothers in the belief that more important than reforms of a purely local or domestic character is the independence of the entire Philippines. We are not discouraged by any means and we are desirous to help concentrate our chief efforts toward securing the passage of a bill that would grant our independence as soon as possible.

As the members of the Woman's National Party doubtless know, the House of Representatives recently passed an independence bill by a very large majority, 306 for and 47 against, to be exact. It is now pending in the Senate, and the hope of all Filipinos, men and women alike, is that action will be taken on an independence measure without delay.

If the members of this organization and the Americans in general wish to help the Filipino people and at the same time serve the United States, they should exert their influence to have an independence bill become a law. Speaking directly to those who are interested that the Filipino women should have suffrage, let me say that this is the great opportunity. We shall then be able to work during the consideration of the constitution for the Philippine Commonwealth for a provision that will secure for the women of the islands the right of suffrage, effective with the date when independence will be granted. The delay of the grant of Philippine independence is responsible in a great measure for the uncertainty in all phases of our national life. Its early grant will hasten development in our country. It will release much time and effort and energy now given to our fight for an independent national existence for the purpose of effecting reforms in our domestic life, including woman suffrage. It will greatly stimulate our women to take greater interest in Philippine politics.

PHILIPPINE INDEPENDENCE—ADDRESS BY MAURO BARADI

Mr. HAWES. Mr. President, both the House committee and the Senate committee earnestly requested the names of any Filipinos who are opposing independence. I believe only seven were given in both hearings.

The unanimity of the Filipino people in demanding their independence is testified to by all of the modern writers and historians. It is a thing they place above every other consideration.

I ask unanimous consent to insert in the RECORD an address by Mauro Baradi, president of the Filipino Club (Inc.) and the Philippine Columbians, before the Filipino Club of Washington, showing how clearly the Filipinos understand the subject and how earnestly and intelligently they make their appeals for freedom.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A PROMISE UNFULFILLED

Just after the Spanish-American War in 1898, when the United States took possession of the Philippine Islands, it was said that President McKinley at first did not know what to do with the archipelago. He spent days and nights trying to decide what course to follow.

AMERICA'S PHILIPPINE POLICY

In the meantime some American newspapers were advocating annexation, others indefinite retention, and still others turning over the territory to the Filipinos themselves. Public opinion was divided. Finally, after meditation and prayer, the President reached a decision.

Later he made a formal declaration announcing America's policy toward the Philippines in these solemn words:

"The Philippines are ours not to exploit but to develop, to civilize, to educate, to train in the science of self-government. This is the path of duty which we must follow or be recreant to a mighty trust committed to us."

This stand has been followed by every succeeding President regardless of party affiliation—Roosevelt, Taft, Wilson, Harding, Coolidge, and Hoover. Frequently it has been referred to with approval in the planks of the major political parties.

A SACRED PLEDGE

To make the pronouncement absolutely official, the people and Government of the United States of America, of their own accord, passed the Jones law—act of Congress of August 29, 1916—which, in unmistakable terms, states that—

"... It was never the intention of the people of the United States in the incipency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

"... It is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein . . ."

Pursuant to this pledge, the Filipinos were given an opportunity to run their own government and conduct their own affairs. In all modesty it must be said that not only did they make commendable progress but were successful. So much so that President Wilson, in his message to Congress on December 7, 1920, said:

"Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf, and have thus fulfilled the condition set by the Congress as precedent to a consideration of granting independence to the islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence which they so honorably covet."

A GOD-GIVEN RIGHT

Year after year the Filipinos have sent and are still sending their duly authorized spokesmen to the United States to voice the unanimous desire of their people for independence. Impartial observers have expressed the conviction that they "found no people in the world so unitedly, so passionately, so insistently desiring independence as the Filipinos." This desire is not new. It dates back to the days prior to the time when the first European set foot on Philippine soil in 1521. That year Magellan, the first circumnavigator of the world, lost his life in an attempt to impose a tribute upon the inhabitants of the archipelago and to subdue them. Spain's rule in the islands, covering a period of about 375 years, was marked by revolution after revolution on the part of the people for freedom. And when America appeared on the scene the Filipinos were led to believe that they were going to have their God-given right to be free and independent.

FILIPINOS ENCOURAGED

American soldiers were looked upon as defenders from tyranny and abuse; the missionaries were hailed as bearers of the gospel of truth, Christianity, and brotherhood; American officials, teachers, business men, and travelers—these gave the impression of the Americans being bearers of "the richest blessings of a liberating rather than a conquering nation."

Filipino children, who have a proverbial passion for education, were taught English as the language of enlightenment, democracy, and progress; they studied the works of great American authors, learned the writings of American statesmen, and were told to revere American heroes and liberators. The Filipinos observe American holidays. On July 4 of each year they join the citizens of this Republic in programs, parades, and other forms of celebration, where the Declaration of Independence is read and speeches on liberty, freedom, equality, and independence are delivered.

In view of these facts, could anyone doubt the sincerity of the Filipinos' aspiration for independence? To them freedom is sacred; it is more precious than the world's riches. No people can really be happy unless they are absolutely free.

INDEPENDENCE OVERDUE

More than a decade has now elapsed since President Wilson recommended to Congress the redemption of America's solemn pledge. Right now Filipino leaders are knocking at the very doors of Congress that that great body may hear their oft-repeated pleas. These leaders appeared before appropriate committees in the American Senate and House of Representatives and brought out facts and figures proving that the Philippines are ready to assume the responsibilities of a sovereign state. Politically, the Filipinos are capable, socially and culturally they can be favorably compared with most of the independent nations of the world; economically, they are progressing, and, if independent, they will survive. They are a liberty-loving, law-abiding, and peaceful people, friendly with their neighbors.

CONGRESS AGAIN SPEAKS

What better proof can the Filipinos offer in support of their age-long objective than to cite the conclusions found by the United States Senate Committee on Territories and Insular Affairs and the House Committee on Insular Affairs?

After extensive hearings on the Philippine bills granting freedom, the Senate committee favorably reported an independence bill—S. 3377—commonly known as the Hawes-Cutting bill. On March 1, 1932, the committee concluded that—

"Every condition precedent that we have imposed upon them has been fulfilled. They now have a stable government. We can no longer postpone a definite solution of the question of independence without serious injustice. The Filipino people unitedly are respectfully, but with insistence, urging their independence. Further delay will not be understood by them and can not be justified by us."

For its part, the House committee reported on March 15, 1932, as follows:

"Our purpose in the Philippines has been accomplished. The unity of the people there is a fact. Their readiness and their eagerness for self-government have been abundantly demonstrated. Their financial capacity to support their government is beyond question. They have a balanced budget, a stable currency, a sound and efficient administration of justice, a successful system of public instruction. They have sanitation, communications, and all other services which are indispensable to progressive and orderly government. They maintain law and order through their own instrumentalities and assure protection to their own citizens and the nationals of other countries. Their educational and economic standards are higher than those in other countries in that part of the world. Under our inspiration and tutoring

they have come to understand and prize and covet democracy. They recognize their debt of gratitude to the American people.

"We have done for the Filipinos all that we have promised them except to grant them independence. We owe it not only to the Filipino people but also to our own to name the day and the way of Philippine independence."

It is a great source of satisfaction to feel that the House of Representatives, in line with the findings of the House committee, has already expressed its hearty approval to and unqualified indorsement of a Philippine independence bill. On April 4, 1932—a memorable day in American-Philippine relations—by an overwhelming vote of 306 in favor and 47 against, the House passed "A bill (H. R. 7233) to enable the people of the Philippine Islands to provide for the independence of the same, and for other purposes." The vote was "one of the greatest majorities in parliamentary annals."

The Senate has now pending for its consideration the independence bill, and our hope is that that great body will soon take action on it. When the measure is passed the Chief Executive of the Nation, who has said that "independence of the Philippines at some time has been directly or indirectly promised by every President and by the Congress," will take the final step.

AMERICA ON TRIAL

In the meantime, the Filipinos are awaiting with anxiety the outcome of their just petition to be free. They believe in America and have faith in her people. They know that if she has fought for the cause of small nations and championed the principle of self-determination, she can not deny the Filipinos their independence—a cause for which she herself has sacrificed lives and property, an ideal which she holds priceless.

A QUESTION UNANSWERED

We repeat, the United States pledged to grant independence to the Philippines. That promise has been honorably made; it has been voluntarily expressed. The Filipinos have done their part and they are now waiting for the people of America to do theirs. "When will you free us?" This is the question the Filipinos are asking of every American.

The world took cognizance of the promise made; mankind knows it has as yet been unfulfilled.

LUCIUS Q. C. LAMAR—ADDRESS BY ALFRED K. NIPPERT

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD an eloquent address on the life, character, and public services of the late Associate Justice Lucius Q. C. Lamar, of my State, recently delivered by Judge Alfred K. Nippert, of Cincinnati, Ohio, at the University of Mississippi on the occasion of the presentation of an oil portrait of Justice Lamar.

There being no objection, the address was ordered printed in the RECORD, as follows:

On the 24th day of January, 1893, Prof. A. H. Whitfield, of the law department of the University of Mississippi, moved the United States court, then in session at Oxford, Miss., to "adjourn in honor of the greatest statesman of the South." The man referred to was Lucius Quintus Cincinnatus Lamar, Justice of the Supreme Court of the United States, who had passed to his reward the evening before, at Vineville, Ga., where he had gone to recuperate from an illness of long standing.

The late justice was born at the old Lamar homestead in Putnam County, Ga., on September 17, 1825, the son of Judge Lucius Quintus Cincinnatus Lamar, who had attained distinction as a lawyer and judge in the courts of his native State, where his family had settled at the outbreak of the Revolutionary War. The Lamars were of old Huguenot stock, having escaped from France and the terrors of the religious persecutions incident to the revocation of the Edict of Nantes, and first settled in Maryland.

The father of the late justice was one of 9 children—4 sons and 5 daughters. The sons were named, respectively, Lucius Quintus Cincinnatus, Mirabeau Bonaparte, Thomas Randolph, and Jefferson Jackson. The one guilty of this baptismal impediment placed upon these boys at the christening font of the Methodist Church was a bachelor uncle of these innocent babes, by the name of Zachariah Lamar. Zachariah was a quaint old character—he offered family prayer in good old Methodist fashion, praised God for the noble examples of Christian martyrdom in the arenas of Rome and Pompeii, gave thanks to God for the forward march of science, art, and especially literature; and, to show his appreciation of the great men in history, he proceeded to name his brother's children according to the particular historical personage of whom he was reading at the time of their birth. So it happened that Uncle Zachariah was reading about that grand old Roman hero and statesman, Lucius Quintus Cincinnatus, when his brother John's first son was born. What better name could be given to this first-born of the fifth generation of the American Lamars than that of the famous twice savior of Rome? And Lucius Quintus Cincinnatus it was. This illustrious name has since been handed down to son, grandson, and great-grandson of the Lamars as time and years rolled by.

Young Lamar, following the footsteps of his distinguished father, was admitted to the Mississippi bar in the year 1850. The agitation between the North and the South had already begun to take hold of the various States of the Union, but nowhere was the excitement more intense and the reaction more profound than in the State of Mississippi. It was at that time that Mr. Lamar

became first actively connected with the University of Mississippi, as adjunct professor of mathematics and metaphysics. His distinguished father-in-law, Judge A. B. Longstreet, was then president of this institution, having resigned the presidency of Emory College, Georgia, to assume a wider field of usefulness as head of the State University of Mississippi. Young Lucius Lamar had been a student and member of the class of 1845 at Emory College. While there he fell in love with Virginia Lafayette Longstreet, the beautiful daughter of the then president of Emory College—a brave but risky adventure on the part of the young Roman. Within two years the fair Virginia Longstreet became Mrs. Lucius Quintus Cincinnatus Lamar.

In 1855 the young lawyer purchased a plantation of 1,100 acres on the Tallahatchie River, near Oxford, Miss., and called it "Solitude." It was at this time that he formed a law partnership with Christopher H. Mott and James L. Autrey, under the firm name of Lamar, Mott & Autrey, with offices at Holly Springs, Miss. Mott was a veteran of the Mexican War and served as first lieutenant in the Marshall Guards under Col. Jefferson Davis. Autrey was a Tennessean, the son of one of that immortal band of heroes who suffered death at the Alamo in the cause of Texan independence. This happy professional relationship between the three men continued until the outbreak of the Civil War.

Lamar in 1857 was nominated and elected to Congress from the first congressional district of Mississippi, but only after a very bitter and strenuous campaign against his opponent, a candidate supported by the so-called Know-Nothing Party. Re-elected in 1859, he served only part of the Thirty-sixth Session of Congress, retiring in December, 1860, when the election of Mr. Lincoln brought the South face to face with a tremendous problem.

Lamar believed it possible to form an independent Southern Confederacy. At the Jackson convention in January, 1861, he reported to the Committee of One Hundred the Mississippi ordinance of secession, which he himself had drafted. As this portentous ordinance passed by an overwhelming vote of 85 to 15, a profound silence prevailed in the great hall and tears gathered in the eyes of nearly everyone present. The die had been cast—the South had crossed the Rubicon, while in the North many an irreconcilable Cato hurled across the borders of the Confederacy the ultimatum of ancient Rome, "Carthaginem esse delendam"; and the South has to this day not yet recovered fully from the awful consequences which followed the passage of this ordinance of 1861.

As my esteemed friend, the late Judge Edward B. Mayes, former chancellor of the University of Mississippi, stated so eloquently in his monumental work on Lamar, *His Life and Times*: "The actors in the secession knew that they were turning their backs upon the structure every stone of which was baptized by the blood of their fathers and the tears of their mothers, and that the old flag which their fathers and themselves had borne from glory to glory was from thenceforth to be alien and possibly hostile. They loved the Union—but they believed in the principles and methods which were purely economical and moral to the States which later on formed the Confederacy. They may have been mistaken in their principles and they may have been wrong in their methods; nevertheless, at that time they felt that right, justice, and the Constitution were with them, and so the die was cast and Mississippi entered into the irreparable and unavoidable conflict."

James G. Blaine, who served with Lamar in the United States Senate, later on said of him that "He stood firmly by his State in accordance with the political creed in which he had been reared, but looked back with tender regret to the Union whose destiny he had wished to share and under the protection of whose broader nationality he had hoped to live and die."

On February 4, 1861, the convention of States met at Montgomery, Ala. Lamar was a delegate and helped elect Jefferson Davis as Provisional President. He assisted in the adoption of a constitution and drew the legislation for the young Confederacy.

Christopher Mott, Lamar's law partner, organized the Nineteenth Mississippi Regiment, of which he was elected colonel, and Lamar lieutenant colonel. Both Mott and Lamar went with the regiment to Richmond, Va., and then immediately into the Peninsular campaign. On the 5th of May, 1862, the Battle of Williamsburg occurred, and in this battle Mott fell, at the head of the regiment, leading his men. After the fall of his commander Lieutenant Colonel Lamar led the charge the remainder of the day and acquitted himself creditably throughout this long and stubbornly contested fight. Soon afterward Lamar was seized by a serious illness and was sent home. In September of that year he lost his younger brother, Jefferson Lamar, who, as lieutenant colonel of Cobb's Legion of Georgia, fell when leading a charge at Crampton's Gap in the Blue Ridge Mountains of Maryland. A cousin of Jefferson and Lucius, Col. John B. Lamar, was also mortally wounded in the same engagement. In 1864 he lost his elder and only surviving brother, Thomas B. Lamar, colonel of the Fifth Florida, who was killed in battle in front of Petersburg, Va. In the same year the junior partner of the firm of Lamar, Mott & Autrey was killed in the Battle of Murfreesboro, Tenn. Year after year secession was exacting heavy tribute and priceless treasures from the bleeding South!

About this time the old wooden sign of the law firm, Lamar, Mott & Autrey, which for many years had been idly swinging over the office door at Holly Springs, Miss., was found floating on the waters of the Mississippi—a derelict on its way to the mighty ocean and an ominous foreboding of the wreckage that was to follow the useless sacrifices of this noble triumvirate of southern jurists.

In October, 1862, Colonel Lamar resigned his colonelcy of the Nineteenth Mississippi, and in November was appointed by Jeffer-

son Davis as special commissioner of the Confederate States to the Empire of Russia. His credentials were signed by J. P. Benjamin, the famous Louisiana lawyer, then Secretary of State for the Confederacy. Mr. Lamar returned from his European mission, which included also England, France, and Germany, in January, 1863. He concluded his military services as Judge Advocate in the Third Army Corps, with the rank of colonel of cavalry. After Appomattox, April 9, 1865, he sent the following message to his fellow officers:

"I shall stay with my people and share their fate. I feel it my duty to devote my life to the alleviation, so far as in my power lies, of the sufferings which this day's disaster will entail upon them."

The surrender of General Lee to General Grant was followed by that of General Johnson to General Sherman, April 26, 1865, and General Taylor to General Canby, May 4, 1865; so that when Colonel Lamar started home from Richmond, as he did on May 16, 1865, the war was indeed ended.

Then followed the hopeless and despairing years of the post bellum days. I will not honor this period—in the light of history—by referring to it as the "reconstruction period." It was rather the "period of destruction," where the victor, like Brennus in the forum of ancient Rome, exacted impossible tributes from the conquered peoples with the words, "Vae victis" (woe unto the vanquished).

To quote again from Chancellor Mayes: "To the southern people the future held little hope, the present was full of trouble and suffering. During the long and bitter struggle for the principles which they cherished, a struggle in which they believed themselves to have acted always on the defensive, they had suffered so bravely and so much. The very women and children at home had gone hungry and ill clad; all domestic happiness had been surrendered for years; all the able-bodied men from 16 to 60 had been sent away to the hardships and dangers of the battlefields; all profitable industries had been renounced; private fortunes had been poured into the army chest; the very fields, for want of markets for their products, had been abandoned and desolated; the terrors of invading hosts had been endured; the homes and the cities had been given up to pillage and the torch; the names of a thousand bloody fields had been written upon the tablets of their memories with indelible tears; in every household for years had been borne the daily torturing dread—a dread to be displaced only by the crowning sorrow of the fact—of the loss of the bravest and best beloved; the throne of the omnipotent God had been hourly besieged with groans and prayers and supplications—and all to what end? To this: That not only the humiliation of conquest awaited them, the loss of fortune and of honorable estate in the councils of nations, but also that their honor was challenged; the decision of the sword, which so sternly settles facts, never yet in truth settled a question of right and wrong, either political or moral. The railroads had been torn up to a great extent, many of the cities were in ruins, no crops had been gathered for three years, all movables had been consumed by the war. A free population, containing 5,000,000 people, had lost over two thousand millions of dollar values. Clothing was scarce, food even more so, and their money valueless. The floors of the dwellings had been stripped, the carpets having been used in lieu of blankets, and many families of refinement and former wealth were without the commonest articles of household and table furniture. The grim specter of poverty sat at their firesides and confronted them at their table."

The situation seemed hopeless in June, 1866, when Colonel Lamar returned to the chair of ethics and metaphysics at the University of Mississippi. It was during that year that he, with the late Judge Charles B. Howry, founded on the campus of the University of Mississippi the Mississippi Gamma Chapter of Sigma Alpha Epsilon. Colonel Lamar during the period of the Civil War had met a number of young volunteers from the various chapters of this Greek-letter fraternity, which was founded on the campus of the University of Alabama in the year 1856, and whose founder, Noble Leslie DeVotie, was to be the first sacrifice on the altar of this Confederacy. Seventy-five per cent of the young Sigma Alpha Epsilon collegians enlisted in the war and more than half of their number were counted among the casualties of the battlefields.

There was recently dedicated by the same Sigma Alpha Epsilon fraternity at Evanston, Ill., on the shores of Lake Michigan a magnificent memorial chapel in memory of the members of this fraternity who died on the fields of battle since the founding of the order in 1856. More than 7,000 of them enlisted in the World War, and 150 made the supreme sacrifice on Flanders Field, whose memories are honored with the heroes of the Civil War, both northern and southern, in this magnificent Gothic temple—in so far as I know, the only great monument erected to the Nation's dead regardless of the Mason and Dixon's line. One of the finest memorial windows in the temple is the window, designed by Tiffany, dedicated to the memory of L. Q. C. Lamar, in recognition of the great service which this distinguished statesman and jurist rendered his people and his fraternity. One section of this window represents Lamar delivering his famous and historic eulogy on Sumner on the floor of Congress April 28, 1874. The other section shows him as he took the oath of office as one of the justices of the Supreme Court of the United States on the 18th of January, 1888. The central section depicts the figure of justice holding her scales in balance.

In January, 1867, Colonel Lamar was unanimously elected to fill the chair of professor of law at the University of Mississippi, to which he was to give his entire and exclusive time. During these

years his helpful counsel and advice did much to strengthen the ardor of the southern youth in their seemingly hopeless struggle for existence and education. However, in the spring of 1870 Lamar retired from the University of Mississippi, owing to the changes of administrative policies, which were of such a nature that he felt constrained to leave the university of his choice. When he left the university he admonished the graduates of his law school by saying:

"And now, young gentlemen, as you go home, I pray that you may have prosperity and happiness through life, with just enough sorrow to remind you that this earth is not your home."

In 1872 he again entered the national political arena. National politics had gone from bad to worse. The carpetbagger and corruptionist were enthroned in the South. In May, 1872, Lamar wrote in despair to a neighbor of mine at Cincinnati, the late Charles G. Reemlin:

"I fear, if this agony is prolonged without hope of relief at some period, the southern people will feel that death is better than life; and then despair and Nemesis will rule the hour. Such being the condition, the thought which presses upon every aching heart and head is not how to restore the constitutional faith of our fathers but how to get rid of these creatures, defiled by blood, gorged with spoil, cruel, cowardly, faithless, who are now ruling the South for no purposes except those of oppression and plunder."

In the same epistle to Reemlin, who was a strong supporter of Tilden, as against Hayes, for the Presidency in 1876, Mr. Lamar referred feelingly to Carl Schurz by saying:

"Carl Schurz is the only genuinely popular man in the country. The people think him patriotic, disinterested, and intellectual. They pine for a true man; one true in his principles, lofty in his manners, and a real genius. * * * Schurz has somehow touched their [the people's] hearts."

However, the end of the carpetbagger was not yet—in spite of Carl Schurz and other mature thinkers and statesmen of that period.

In 1873 Lamar's congressional ambitions were realized and he was returned as a member of the Mississippi delegation to the Forty-third and Forty-fourth Congresses. His great opportunity to awaken the conscience of the North to the bitter wrongs that were inflicted upon his people by northern misrule came on the death of Hon. Charles Sumner, Member of Congress from Massachusetts and an ardent abolitionist of the New England type. At the request of the Massachusetts delegation he delivered a eulogy on the life and character of Senator Sumner on the floor of Congress, April 28, 1874, amidst crowded galleries. This speech marked the turning point of the so-called "reconstruction period" and changed the triumphant attitude of the North toward the vanquished and prostrate South. Lamar's eulogy of Sumner has gone down in history as one of the greatest oratorical gems ever delivered on the floor of either House of Congress. His hearers sat in rapt attention as this southern gentleman proceeded with a brilliant analysis of Sumner's character. He reached the climax of his oration when he concluded his great effort, exclaiming:

"The South—prostrated, exhausted, drained of her lifeblood, as well as of her material resources, yet still honorable and true—accepts the bitter award of the bloody arbitrament without reservation, resolutely determined to abide the result with chivalrous fidelity; yet, as if struck dumb by the magnitude of her reverses, she suffers on in silence. The North, exultant in her triumph and elated by success, still cherishes, as we are assured, a heart full of magnanimous emotions toward her disarmed and discomfited antagonist; and yet, as if mastered by some mysterious spell, silencing her better impulses, her words and acts are the words and acts of suspicion and distrust. Would that the spirit of the illustrious dead whom we lament to-day could speak from the grave to both parties to this deplorable discord in tones which would reach each and every heart throughout this broad territory 'My countrymen! Know each other better and you will love each other more!'"

He had awakened the sleeping conscience of the North. The South felt that at last a champion worthy of her cause had entered the lists to bring the tragic era of reconstruction and the reign of terror of the carpetbagger to an early close.

On March 4, 1877, Lamar entered the United States Senate and, reelected, he served until March 6, 1885, when President Grover Cleveland called him to his Cabinet as Secretary of the Interior, in which capacity he served with industry and fidelity until January 10, 1888, when he accepted, at the hands of the President, the appointment as Associate Justice of the Supreme Court of the United States, where he served with distinction and great ability until his death, January 23, 1893.

Thus ended the career of a truly great man—a brave soldier, an unusual diplomat, a courageous champion of a lost cause, a great teacher of jurisprudence, a Congressman and Senator of fearless caliber, a member of Cabinet, and a great judge of a great tribunal. Indeed, Professor Whitfield stated a terse truth on January 24, 1893, when he moved to adjourn court "In honor of the greatest statesman of the South."

"His life was gentle,
And the elements so mixed in him,
That nature might stand up
And say to all the world,
'This was a man.'"

May this splendid portrait of a great Mississippian be a constant reminder to you and to generations yet unborn of a noble and unselfish life.

ENFORCEMENT OF THE EIGHTEENTH AMENDMENT

Mr. COPELAND. Mr. President, a distinguished member of the New York bar, Mr. John H. Hazelton, has prepared a brief relating to the eighteenth amendment of the Constitution. I ask that it may be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

MEMORIAL RESPECTFULLY SUBMITTING TO THE SENATE OF THE CONGRESS OF THE UNITED STATES FOR THEIR CONSIDERATION A PROPOSED AMENDMENT (OF CONSTRUCTION) OF SECTION 2 OF ARTICLE XVIII OF THE AMENDMENTS TO THE CONSTITUTION OF THE UNITED STATES

To the Senate of the Congress of the United States:

I am neither a "wet" nor a "dry" (so-called); but I am, by birth, a citizen of the United States and much interested in its welfare.

May I not, therefore, respectfully submit the following:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States.

"ARTICLE

"That section 2 of Article XVIII of the amendments should, and shall, be construed as a grant of concurrent power to both the Congress and the several States to enforce, by appropriate legislation, the entire prohibition of section 1 thereof; that the word 'concurrent' as there used means 'acting in union or conjunction' (that is, running with), and relates to the 'power' granted thereby, not to the 'legislation' power to enact merely, which is granted thereby."

Or the following:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by conventions in three-fourths of the several States.

"ARTICLE

"That section 2 of Article XVIII, of the amendments, should, and shall, be construed as a grant of concurrent power to both the Congress and the several States to enforce, by appropriate legislation, the entire prohibition of section 1 thereof; that the word 'concurrent,' as there used, means 'acting in union or conjunction' (that is, running with), and relates to the 'power' granted thereby, not to the 'legislation' power to enact merely, which is granted thereby."

For your consideration.

ARGUMENT

Leaving out of consideration an absolute repeal of the eighteenth amendment (which would, of course, end the "noble experiment" altogether) and leaving out of consideration, of course, the question of revenue, it seems to me that the real question underlying the present admittedly unsatisfactory prohibition situation is the enforcing of the amendment inside of the States.

And it seems to me that the real trouble is the erroneous construction (in National Prohibition Cases, 253 U. S. 350) of section 2 of the amendment, giving power to Congress inside of States— which section, it seems to me, was never properly presented to the court—the main contention in this case (it will be remembered) being that section 1 of the amendment, and, therefore, the entire amendment, was unconstitutional, which, of course, did not tend to any elaborate argument also on a question of construction of section 2, which conceded constitutionality.

It seems to me that a proper construction of section 2 would still leave the amendment (section 1) as a goal, but would leave the laws, if any, to enforce, inside of States (except in time of war and except in certain instances) to each State respectively— thus leaving these laws, if any, to enforce, inside of States, to grow in strength as the sentiment in the particular State grows, rather than attempting to enforce, inside of States, by laws of Congress, against the sentiment in the particular State.

It will, of course, be remembered that the Law Enforcement Commission found:

"1. The commission is opposed to repeal of the eighteenth amendment. * * *

"5. The commission is of opinion that the cooperation of the States is an essential element in the enforcement of the eighteenth amendment and the national prohibition act throughout the territory of the United States; that the support of public opinion in the several States is necessary in order to insure such cooperation."

And this is exactly what would follow, it seems to me, if (merely) the words "concurrent power" in section 2 of the amendment were properly construed.

And the proper construction, it seems to me, is that given in (either of) the proposed amendments (of construction), these differing not at all in the (proposed) amendment proper but only in the method of ratification.

Article XVIII of the amendments says:

"SECTION 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof

from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

"SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation."

These words, "concurrent power," in section 2 are used to denote the kind of power in both "the Congress and the several States" to enforce the entire prohibition of section 1, not the kind of power in each, it seems to me.

Looking first at this amendment by itself:

The first thing to note is that we can not (properly) construe this section 2 without reading into it the prohibition of section 1, "concurrent power to enforce" which "by appropriate legislation" is thus given.

(And looking at this section 1 we immediately see that the amendment is not confined to the States of the United States.)

The next thing to note is that this section 2 is but a single sentence; that the word "concurrent" is used but once; and that it applies equally to the power of both "the Congress and the several States" "to enforce this article by appropriate legislation," not to the power of each or either.

(And, thus noting, we see that we are not considering here at all the jurisdiction of a court, which passes upon the particular case only, but upon all the parties to it, if upon the case at all, but the power of legislation, which acts upon all persons subject to the particular power that legislates, of course, but which acts upon those persons only who are subject to that particular power of legislation.)

But, thus reading these sections together and thus noting, we see that we here have a very unusual situation—a "concurrent power" to enforce given to both "the Congress and the several States," which power to enforce (in its entirety) could be given to Congress alone, but which power to enforce (in its entirety) could not possibly be given to the several States alone, and therefore was not given to the several States at all (in its entirety).

In other words, the prohibition of section 1, it will be noted, extends throughout "the United States and all territory subject to the jurisdiction thereof"; and there is territory in the United States, etc., over which not all of the States could possibly have any power.

And therefore, as the grant of power is of "concurrent power" to both "the Congress and the several States" "to enforce this article"—that is, to enforce the entire prohibition of section 1—it follows that we must construe the words, "concurrent power," having the same meaning as to both the Congress and the several States, it will be remembered, so far as "Congress" is concerned, just as (as stated) it must be construed as to "the several States," so that Congress has not power everywhere either.

In other words, the power, it will be noted, is in both "the Congress and the several States" and is "concurrent" to do the same thing, viz, to "enforce by appropriate legislation" the prohibition of section 1; and this prohibition extends beyond the States and could not, therefore, be enforced in its entirety by (all even of the) States and, therefore, was not intended to be enforced in its entirety by the Congress, because (as stated) the power in both is "concurrent," and whatever is this "concurrent power" in both, the "power" of each must be a power of which that each is capable before the power of both can be "concurrent power."

Our search, therefore, must be for that particular meaning of the word "concurrent" that permits this.

And with this in mind I assert without fear of proper contradiction that this word as here used clearly means that the Congress and the several States, both, "shall have * * * power," acting in union or conjunction (that is, "concurrent," or running with) "to enforce" section 1, not that either alone can enforce the entire section, but that both can ("shall have power") to enforce the entire section, if both act in union or conjunction.

Or, to be more specific, the word "power" should be taken with the words "the Congress and the several States," (not with the words "the Congress" only, or with the words "the several States" only) showing that the power referred to is that of both, not of either or each; the word "concurrent" should be taken with the word "power," next to which it is, and not at all with the word "legislation"; and the words "concurrent power," not either only, but both, should be taken with the words "to enforce this article," showing that the power of both is that kind of power that is "concurrent" and that being "concurrent," would enable them both to enforce the entire prohibition that precedes, namely, the entire prohibition of section 1.

There is no getting away from this.

The meaning given, "acting in union or conjunction," is the only meaning of the word "concurrent" that can always be used with both the word "Congress" and the words "the several States" as applied to the power to enforce the entire prohibition of section 1, which is what the section says.

To test this, all one has to do is to give to this word "concurrent" some other meaning than this "acting in union or conjunction" and see the difficulties that instantly result.

Take, for instance, the conclusions of the court itself in national prohibition cases. Among these conclusions are:

"8. The words 'concurrent power' in that section (sec. 2) do not mean joint power [correct], or require that legislation thereunder by Congress, to be effective, shall be approved or sanctioned by the several States or any of them [correct]; nor do they mean that the power to enforce is divided between Congress and the several States along the lines which separate or distinguish foreign and interstate commerce from intrastate affairs [incorrect].

"9. The power confided to Congress by that section, while not exclusive, is territorially coextensive with the prohibition of the

first section [correct—but (except in time of war) it is not the same everywhere], embraces manufacture [correct—but (except in time of war) not manufacture, generally, inside of States] and other intrastate [correct only in the Army and the Navy and as to the business of the National Government and in time of war] transactions as well as importation, exportation, and interstate traffic [correct—but with certain limitations], and is in no wise dependent on or affected by action or inaction on the part of the several States or any of them [correct]."

In other words, they construed the section as if it read:

"The Congress shall have power to enforce by appropriate legislation this article; the several States shall have power to enforce by appropriate legislation so much of this article as comes within the several States; and—where both have power to enforce (all or any part of this article)—their powers shall be 'concurrent.'"

Which is not what the section says.

Take for instance the opinion of Chief Justice Taft in *U. S. v. Lanza* (260 U. S., 397).

It will be noted that—in States—he uses the word "concurrent" to mean "joint and equal in authority" but that—in territory not States—he (therefore, necessarily) disregards the word "concurrent" altogether.

As to the power of each (of the Congress and of the several States)—

Even after we have fixed, as we have, however, the "concurrent power" of both as concurrent power to enforce the entire prohibition of section 1, there is still the question of what is the power of each (of the Congress and of the several States); and whether at all "concurrent," except as given, as the power of both is concurrent to enforce the entire prohibition of section 1.

If so, of course, it must be found otherwise in the amendment itself; or it must be found in the rest of the Constitution.

Here, therefore, we must look both at the amendment itself and at the rest of the Constitution.

But here we may start out with what we have already established:

The section itself does not say that the powers of each or of either are "concurrent."

The section itself deals merely with the powers of both to enforce the entire prohibition of section 1, and this power of both, it says, is "concurrent."

Therefore here, as to the power of each (of the Congress and of the several States), the first thing to note is, of course, that we must now reason just the reverse of our reasoning from the grant of power to both to enforce the entire prohibition of section 1. We no longer must reason (as we have) that because the States can not enforce the entire prohibition of section 1, neither can Congress enforce the entire prohibition of section 1; but as neither, as we have seen, is given power to enforce the entire prohibition of section 1, it follows that some part at least of the prohibition of section 1 is enforced only by either (the Congress or the several States), and that the power to enforce this part enforced by either, no matter by which, can not possibly be concurrent in any other sense than power concurrent in both to enforce the entire prohibition of section 1, which is what the amendment itself says.

And, this being determined, the question then is whether the power of either to enforce any of the prohibition of section 1 is a concurrent power in any other sense than power concurrent in both to enforce the entire prohibition of section 1.

Certainly, from anything in section 2 itself, we are not to assume that either (each), in enforcing any part of the prohibition of section 1, has a concurrent power in any sense of the word except the one we have given as to the power of both to enforce the entire prohibition of section 1, because that would be to assume that—notwithstanding the use of the word "concurrent," only once and in the sense we have shown, as applied to the power of both—it was intended (but not expressed) also that each should have concurrent power in another sense than the one expressed, which is hardly to be assumed.

Certainly, too, from anything in section 2 itself—as the word "concurrent" is used but once, and as applicable to the power of both to enforce the entire prohibition of section 1—there is no presumption that the power of each or either is concurrent in any sense of the word except the one we have given as to the power of both to enforce the entire prohibition of section 1. Indeed, the presumption—under such circumstances—would be just the other way.

So that—all of this being so—it follows that we must answer this question also in the negative, unless we find something in the rest of the Constitution, as distinct from the section itself, to make us answer in the affirmative.

But here (in the rest of the Constitution) we are instantly met with "the supreme law of the land" provision of Article VI of the (original) Constitution—and thus find the question completely disposed of.

It follows from this "supreme" provision, of course, that—under the Constitution (also properly construed) as it stood before the amendment—there could not possibly be, at the same time, any concurrent power in Congress and the several States in any other sense of the word than the one we have given as to the power of both to enforce in its entirety such a prohibition as that in section 1; for—with such a provision in the Constitution as this "supreme" provision—there never could be any conflict of power between Congress and the several States.

Previous to this amendment without question.

Where Congress had power (of any kind) but the States had no power—for instance, in the District of Columbia, etc.—Congress only could act. Where Congress had exclusive power, the States

being prohibited, Congress only could act. Where Congress had power, but not exclusive power, and the States also had power, the States could act until Congress acted, when the action of Congress became "supreme." Where the States had power, but Congress had no power—for instance, inside of States (except in the Army and in the Navy and as to business of the National Government, in States, and except in time of war)—the States only could act.

In other words, we immediately see that neither could declare, or act to enforce, any part of a prohibition such as the prohibition of section 1 that the other could declare, or act to enforce, at the same time.

But we immediately see also that both ("acting in union or conjunction") could have declared and enforced, if they had wanted to do so, a prohibition such as the entire prohibition of section 1, each a part.

That is, we immediately see that the entire prohibition of section 1 of the amendment is nothing more than a prohibition which "The Congress and the several States" themselves have always had concurrent power to make, but never made; and which the people of the United States, by an amendment, made.

And we immediately see that section 2 merely gives Congress and the several States the same "concurrent power" to enforce this prohibition made by the people themselves, by an amendment, that the Congress and the several States would have had to enforce such a prohibition if they themselves had (each so far as it had power without any amendment) declared such a prohibition.

And, seeing this, why should we look for any other meaning?

Certainly, what a provision is must indicate to some extent at least what the provision means?

Certainly, as section 2 itself indicates no change in the power of either (of the Congress or of the several States) as to enforcement, we should not assume a change in the power of either, as to enforcement.

Indeed, what was more natural than that in framing a provision for the enforcement of an entire prohibition it should be framed in words applicable to its entire enforcement, not applicable to its enforcement in part?

Indeed, does it not, therefore, thus, definitely appear that the people, in section 2 (merely), adopted, for the purposes of their amendment the powers they found already existing, as to the enforcement of prohibition, in the Congress and the several States, but without attempting (because not here necessary) to detail the powers of each?

In the language of the amendment itself:

"The Congress and the several States shall have concurrent power [that is, shall have, acting in union or conjunction, power] to enforce this article by appropriate legislation."

Why, certainly, should we assume such an unnatural change as that Congress should have power also inside of States without its being said?

If such a change had been intended, surely it would have been expressly so stated.

Besides that, with such a construction as that for which I am contending, there is no conflict at any time between the United States and the States; the word "supreme" in Article VI continues to have its meaning as before (which it necessarily must have, unless changed for the purposes of this amendment by the use of "concurrent" in this amendment, for this is the only use of the word "concurrent" in either the original Constitution or in any of the amendments); and "devoutly to be wished"—there can be no double punishment by the United States and a State, because there can be no conflict.

And these are the results that naturally should be.

In other words, we should be construing Article XVIII of the amendments, even though it does use for the first time the words "concurrent power," harmoniously with the rest of the Constitution (so that not only this Article XVIII but everything else in the Constitution stands and has its due meaning) and that is the way the Constitution should naturally be construed.

The changes in the phraseology of the (proposed) amendment in Congress before the amendment passed Congress show that this is so, it seems to me. As first offered in the Senate the (proposed) amendment read:

"The Congress shall have power to enforce this article by appropriate legislation, and nothing in this article shall deprive the several States of their power to enact and enforce laws prohibiting the traffic in intoxicating liquors."

As it passed the Senate it read:

"The Congress shall have power to enforce this article by appropriate legislation."

The first of these, of course, would have given power to Congress everywhere (even in States) to enforce the entire prohibition of section 1; but it would have given no power to the States (in States) to enforce (any part of) the prohibition of section 1; that is, no power to enforce the amendment; but it would expressly have left unimpaired in the States their power previous thereto "to enact and enforce laws prohibiting the traffic in intoxicating liquors."

The second would have given power to Congress everywhere (even in States) to enforce the entire prohibition of section 1; but it would have given no power to the States (in States) to enforce (any part of) the prohibition of section 1; that is, no power to enforce the amendment; and it would have left the power already existing in the States without express comment.

And either would have resulted in untold litigation to construe.

JOHN H. HAZELTON.

HEMPSTREAD, N. Y.

AMENDMENT OF AGRICULTURAL MARKETING ACT

The Senate resumed the consideration of the bill (S. 4536) to amend the agricultural marketing act, approved June 15, 1928.

Mr. HOWELL. Mr. President, I ask permission to withdraw the amendments to the bill remaining unadopted which I offered yesterday.

The VICE PRESIDENT. The Senator has that right.

Mr. HOWELL. And in lieu thereof I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 15, line 11, it is proposed to strike out "said board" and to insert in lieu thereof "the Secretary of the Treasury."

The VICE PRESIDENT. Without objection, the amendment is agreed to. The next amendment of the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 15, line 13, it is proposed to strike out "said board" and to insert in lieu thereof "the Secretary of the Treasury."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment proposed by the Senator from Nebraska will be stated.

The CHIEF CLERK. On page 15, beginning in line 14, after the period, it is proposed to strike out all of lines 15, 16, 17, and 18, as follows:

On and after July 1 next following the passage of this title, a customs duty of 4 cents per pound shall be levied, collected, and paid on all cotton imported into the United States or Puerto Rico in the same manner as other customs duties are levied, collected, and paid.

Mr. KING. Mr. President, I should like the Senator from Nebraska to explain what he is seeking to accomplish by that amendment.

Mr. HOWELL. The words proposed to be stricken out provide for raising revenue and are not properly in a bill originating in the Senate.

Mr. WALSH of Montana. Quite aside, Mr. President, from the criticisms of Title III in the pending bill with respect to its operation, I can not think there can be any serious doubt in the mind of any lawyer here that the provision of the bill which makes it punishable as a crime to buy commodities falling under the operation of the bill except at a price fixed by the board violates the most fundamental constitutional principle. I can not think that question is a debatable one at all. Two parties enter into an agreement, the one to buy and the other to sell, at a price that is mutually agreeable, a commodity which is not only innocuous in every particular but which is absolutely necessary to the maintenance of life, for instance, in the case of wheat. Such a transaction is denounced by the bill and made penal. I trust that no hopes will be entertained by anybody that a bill of which such a provision is the central fundamental feature can withstand attack upon the ground that it is void under the Constitution.

This part of the bill is denominated, Mr. President, the allotment plan, although I see nothing in the provisions which justify the title by which it is named. On May 25 last the Senator from South Dakota [Mr. NORBECK] had inserted in the RECORD an article telling about a real allotment plan by which the amount of a particular commodity brought under the operation of the act should be allotted among the various producers of that particular commodity. Having referred to the bill as it is now before the Senate, the Senator from South Dakota said:

Mr. President, I ask that there may be printed in the RECORD an explanation of another domestic allotment plan, by W. R. Ronald, of Mitchell, S. Dak., publisher of the Mitchell Republican. Mr. Ronald is a member of a committee of five appointed at a recent meeting held at Chicago whose purpose it is to bring before the public the merits of this plan.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE DOMESTIC ALLOTMENT PLAN

"W. R. Ronald, of Mitchell, S. Dak., member of a committee chosen at a Chicago conference to promote the domestic allotment plan to make the tariff effective on farm products of which there

is an exportable surplus, spoke as follows at a luncheon attended by various Members of the Senate and House of Representatives:

"The idea of the domestic allotment plan was first suggested by the late Doctor Spillman, of the United States Department of Agriculture, in 1926. In 1929 Prof. John D. Black, of Harvard University, who is also chief economist of the Federal Farm Board, wrote in his collegiate capacity a book entitled "Agricultural Reform in the United States," in which he devoted a chapter to the allotment plan of making the tariff effective on home consumption of farm products of which there is an exportable surplus. He developed the idea considerably from the form in which Doctor Spillman presented it.

"In the past two years Prof. M. L. Wilson, head of the department of agricultural economics of the Montana State College, Bozeman, Mont., made some 50 addresses to meetings of farmers, at each of which he explained the four different plans of making the tariff work for the farmer or, at least, improve domestic prices—stabilization, the equalization fee, the export debenture, and the allotment plan. He attempted to make no case for any of them, but in each meeting the farmers declared emphatically for the allotment plan. As a result, the Montana State Farm Bureau at its last meeting endorsed the proposal.

"In consequence of this, Vice President Stockton, of the Montana State Farm Bureau, invited a number of those who had become interested in the plan to attend a conference at Chicago to discuss it. This group endorsed the principles of the plan and named a committee composed of M. L. Wilson, chairman; E. H. Harriman, of Boston, Mass. (newly elected president of the United States Chamber of Commerce); Louis S. Clark, of Omaha, president of the Mortgage Investors' Association of Nebraska; Henry A. Wallace, editor of Wallace's Farmer, of Des Moines, Iowa; R. R. Rogers, of Newark, N. J.; and W. R. Ronald, editor of the Mitchell (S. Dak.) Evening Republican, and instructed the committee to complete a bill for introduction into Congress. Following this, Mr. Wilson spent some two weeks in Washington and New York and presented the plan to a considerable number who have opposed all other farm price measures, including some high in official and business life, and found general approval of the plan for the reason that, unlike all others, it prevents any increase in acreage or production of products benefited but actually makes possible positive reduction of them when found desirable."

The remainder of the article appears in the RECORD of May 25 at page 11144.

This plan, Mr. President, proposes, as the bill before us does, that there shall be made by the Department of Agriculture an estimate of the amount of the annual production, an estimate of the amount necessary for domestic consumption, and an estimate of the amount that will go into the export trade. That amount then is allotted to the various States in proportion to their average production for the past period of five years. Then an organization within the State apportions the amount which may be produced in each county in the same way on a basis of the average for the past five years. The county organization then allots the amount to the various producers. There is nothing forced about it at all. Then the processors of the product—that is, the millers or others—will pay into the Treasury of the United States on each unit purchased an amount equal to the duty upon that particular commodity. The allottees are then requested to sign a contract by which they agree to sow no more acreage than that which is fixed by the Farm Board; that is, allotted by the Farm Board. They may sign or not, as they please; but if they sign, they then become entitled to share in the fund which is thus accumulated in the Treasury. If they do not sign, they do not share. In a general way, those are the features of the plan.

It was elaborated by Professor Wilson, who, I may say, stands high in the Nation as an authority upon agricultural questions, before the Committee on Agriculture of the House of Representatives 10 days ago. As a result of his elucidation of the plan before that body, Representative FULMER was directed to introduce a bill embodying the plan. It is House bill 12461. I introduced in this body a duplicate of the bill, being Senate bill 4859.

It was my purpose, Mr. President, to offer this bill as a substitute for Title III of the bill now under consideration; but the purpose of the plan is to make effective to the agricultural industry the paper duties upon agricultural products, duties which are really of no significance, so far as returns to the farmers are concerned; but, there being no duty upon short-staple cotton, the bill would have to make provision, and it does make provision, for a duty of 5 cents per pound upon short-staple cotton; and that, of course, makes the bill of such character as that it can not originate in this House. So it would be subject to a point of order

and could not be considered in connection with the pending measure, and perhaps it would be inadvisable to send the bill to the House with such a provision in it. I speak of it, however, in the hope that the bill will have some consideration by the Members of this body and in the hope that Members of the House will give it consideration in connection with this bill later on.

Mr. FRAZIER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. WALSH of Montana. I will yield in a moment. The important thing about this bill is that, although it offers a very much greater return to the producer, it can not result in an increase in the production, because that is always under the control of the Farm Board. They may limit production; that is to say, they fix the amount, and the producer will get returns only upon that part which is consumed in the domestic trade, and the remainder he must dispose of as he can. Accordingly, he will not get such a return as will make it advisable for him to extend his acreage to any considerable extent. I now yield to the Senator from North Dakota.

Mr. FRAZIER. Mr. President, the provision in the pending bill known as the allotment plan provides only for cost of production on the amount used for home consumption here in the United States. Under the plan of which the Senator from Montana speaks, known as the Wilson plan, the amount to be paid to the farmer is based on the amount of the tariff on those products, which would not give, under present conditions, the cost of production to practically any of the commodities produced in the United States to-day. Unless we can have a tariff such as France has, such as Germany has, such as Italy has on farm products, that gives the farmers cost of production when that tariff is made effective, a plan such as the Senator suggests would be of little value to our farmers in the United States.

Mr. WALSH of Montana. Are we to understand from the Senator from North Dakota that he expects that under the plan found in this bill the price of wheat for domestic consumption, for instance, would be greater than 42 cents a bushel above the world price?

Mr. FRAZIER. It would have to be if it gives the farmer the cost of production under present circumstances.

Mr. WALSH of Montana. So that the Senator is looking, under the bill before us, for a price of wheat for domestic consumption greater than 42 cents a bushel in advance of the world price?

Mr. FRAZIER. Mr. President, 42 cents over the world price at the present time does not give cost of production. This bill is based on cost of production.

Mr. WALSH of Montana. Whether it does or not, that is what the Senator is looking for?

Mr. FRAZIER. Certainly. Unless the farmer gets cost of production for his product, he can not get along. He can not make a success of his farming any more than any business man on earth can make a success of his business unless he gets cost of production.

Mr. WALSH of Montana. The Senator's hopes are high.

Mr. FRAZIER. Unless that can be done, Mr. President, the farmer of the United States has no hope at all. He will be put down and out, as he is going and has been going for the past year.

Mr. WALSH of Montana. The debenture plan provides, my recollection is, for one-half of the tariff.

Mr. FRAZIER. Does the Senator think that would give the farmer cost of production under the present circumstances?

Mr. WALSH of Montana. I was not talking about that. I was talking about what you can get. If you could get anything like 42 cents a bushel for your wheat over and above the world price, you ought to feel extremely happy about it. I am sure the farmers of Montana would.

Mr. FRAZIER. I am sure it would not do the farmers of Montana any good if it gives them only half the cost of production. They would go broke just the same as they are

going broke now. It would merely delay the agony a little longer.

Mr. WALSH of Montana. I do not desire to discuss the matter any further, Mr. President. I submit this matter for the consideration of the Senators in lieu of a proposition that I think everybody who reflects upon at all, who knows anything about constitutional principles, will be convinced is perfectly hopeless, and that you are holding out the word of promise to the ear and breaking it to the hope to these people who have been a long time awaiting some relief.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1768. An act to provide for the opening and closing of roads within the boundaries of the District of Columbia workhouse property at Occoquan, Fairfax County, Va.;

S. 3929. An act to authorize the Commissioners of the District of Columbia to close certain alleys and to set aside land owned by the District of Columbia for alley purposes;

S. 4106. An act to provide for the closing of certain streets and alleys in the District of Columbia, and for other purposes;

S. 4396. An act to provide for readjustment of street lines and the transfer of land for school, park, and highway purposes, in the northeast section of the District of Columbia, and for other purposes;

S. 4689. An act to authorize the closing of certain streets in the District of Columbia rendered useless or unnecessary, and for other purposes; and

S. 4736. An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes.

AMENDMENT OF THE AGRICULTURAL MARKETING ACT

The Senate resumed the consideration of the bill (S. 4536) to amend the agricultural marketing act, approved June 15, 1929.

Mr. GEORGE. Mr. President, I desire to say a few words about the bill generally. It has been amended so many times that it is quite difficult to understand what it now provides, because, for the most part, the amendments offered and accepted were not printed. But, referring to the equalization-fee provision of the bill, or Title I, at page 8, we find this provision:

Under such regulations as the board may prescribe the equalization fee determined under this section for any agricultural commodity produced in the United States shall in addition be collected upon the importation of each designated unit of the agricultural commodity imported into the United States for consumption therein, and an equalization fee, in an amount equivalent as nearly as may be, shall be collected upon the importation of any food product derived in whole or in part from the agricultural commodity and imported into the United States for consumption therein.

I dare say that it can not be contended by anyone that that is not a tariff provision, a wide and sweeping tariff, not only upon the agricultural commodity but upon any food product into which the agricultural commodity enters, in whole or in part, when imported into the United States.

Then, going to the debenture provision of this bill, it will be noted that on page 14 it is provided that—

The debenture rate in effect at any time with respect to any manufactured product of any debenturable commodity shall be an amount sufficient as nearly as may be, to equal the debenture that would be issuable upon the exportation of the quantity of the debenturable commodity used or consumed in the manufacture of the exported manufactured product, as prescribed and promulgated from time to time by said board.

And in subsection (b), there is an express provision for a customs duty of 4 cents per pound on cotton, to be collected and paid on all cotton imported into the United States or Puerto Rico in the same manner as other customs duties are levied, collected, and paid.

Mr. HOWELL and Mr. SHORTRIDGE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Georgia yield; and to whom?

Mr. GEORGE. I yield to the Senator from Nebraska.

Mr. HOWELL. I call attention to the fact that an amendment has just been adopted by the Senate striking out that provision.

Mr. GEORGE. I am glad to learn that, because that is in plain terms, of course, a tariff duty which the Senate, at least, would have no power to originate.

Mr. SHORTRIDGE. Mr. President—

Mr. GEORGE. I yield to the Senator from California.

Mr. SHORTRIDGE. To make clear what has just been stated, under the present law there is a tariff duty of 7 cents per pound on long-staple cotton; and until the remark just made by the Senator from Nebraska I was curious to be advised as to whether or no, if that provision remained in the bill, it would impliedly amend the existing law in respect to the tariff on cotton.

Mr. GEORGE. Undoubtedly that would be true. The Senator from Nebraska now advises us that the provision is taken out of the bill, however.

Now going to the allotment plan, on page 18, subsection 1, at the bottom of the page, we find this provision:

To the end that the policy declared in this act may be effectuated, the Federal Farm Board is authorized, whenever it finds that the importation into the United States of any such agricultural products or their substitutes produced outside of the United States materially affects or is likely to materially affect the sale in the domestic market of any such agricultural products at a price not less than the cost of production, to proclaim that fact; and thereafter it shall be unlawful to import, directly or indirectly, any such products or their substitutes into the United States.

That, of course, is an embargo. There is no attempt to disguise it.

Then follows, in subsection (2) on page 19, the remarkable provision which the Senator from Montana has already brought to our attention with reference to the sale of farm products in the United States by the producers thereof:

It shall be unlawful for any licensee to purchase any agricultural products at a price less than the cost of production proclaimed by the Federal Farm Board.

And in subdivision (3):

Any person who, without a license issued pursuant to this section, intentionally or knowingly engages in or carries on any business for which a license is required pursuant to this section, or intentionally or knowingly makes any purchase in violation hereof, and any person who intentionally or knowingly violates any other provision of this title shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$500 or imprisoned for not more than six months, or both.

Now, Mr. President, aside from the fact that we have in each one of the titles in this bill provision for tariffs—except, perhaps, the debenture title, from which it has been stricken—we have provision in this bill for tariffs to be levied by the Federal Farm Board almost at its discretion, upon the mere finding that it is not able to carry out the original purposes of the farm marketing act. It is a most extraordinary attempt to vest in the Farm Board the power to impose tariffs, to determine the amount of the tariffs, and the power to issue embargoes.

Even if it were constitutional—and I do not think anyone could imagine that the Congress, wherever the bill originated, could give to the Farm Board the extraordinary power to fix tariffs and to impose embargoes sought to be conferred upon the board in this bill—it seems to me that the Congress would certainly never give such power as this to the Farm Board or to any other agency of government.

I dare say that agriculture could not live under this bill if it were put into operation. If it were actually carried into execution for 12 months, it would destroy any industry to which applied. Arbitrary power such as is given in this bill over a great industry like agriculture seems to offend every accepted principle. It seems to be offensive to sound principle, to general principles recognized by the hornbook.

The purpose of the bill, of course, is to do something for agriculture; but, in my judgment, we can do much harm to agriculture by giving the Farm Board such broad power as

is given here, even if we could, under the Constitution, confer such power.

I invite attention again to this particular provision in the allotment plan:

The Federal Farm Board is authorized, whenever it finds that the importation into the United States of any such agricultural products or their substitutes produced outside of the United States materially affects or is likely to materially affect the sale in the domestic market of any such agricultural products at a price not less than the cost of production, to proclaim that fact; and thereafter it shall be unlawful to import, directly or indirectly, any such products or their substitutes into the United States.

Loosely, the Farm Board is given the power to determine whether importations of an agricultural product or a substitute will actually affect or are likely to affect the sale in the domestic market of any such agricultural product at the price fixed by the board. Then the board is to have the power to issue an embargo.

Mr. President, yesterday some facts were brought to the attention of the Senate. I want to emphasize them, in full sympathy with the general spirit and purpose of the bill, but nevertheless I wish to emphasize them.

The allotment provision in this bill is clearly void. It could not be sustained anywhere, and I dare say that no one would seriously attempt to sustain it after he has thought about it. It is not an attempt to regulate farm products entering into interstate and foreign commerce. The only jurisdiction we have is to regulate the product that enters into interstate and foreign commerce. All that is attempted with respect to a farm product in interstate and foreign commerce is to say that it must be exported. It must be separated or segregated and withheld from the market. What is undertaken to be done is to regulate that part of the product which enters into domestic commerce; and there is not a suggestion that State lines have anything whatsoever to do with the general scheme and purpose of this bill. There is no attempt to regulate agricultural products in interstate commerce. The whole scheme is this, as I gathered yesterday from the distinguished Senator from Nebraska [Mr. HOWELL], that if one is engaged in cotton raising, and produces in a given year 20 bales of cotton, one-half of that cotton, in the discretion of the Farm Board, must be sold in the domestic market at the price fixed by the board, the other one-half must be exported, or must be withheld from the market, must be taken off the market, and can not be sold in the domestic market at all.

It was yesterday pointed out that the cotton producer does not carry his cotton to market at one time. He produces his cotton and usually carries it from the gin to the market daily as he gins it.

It was suggested here that each bale should be sold, one half of it at the domestic price fixed by the board, the other half at the world price. How can you compel anyone to buy the cotton? How could you induce any cotton buyer to buy a bale of cotton and to pay for 250 pounds of the cotton, let us say, 15 cents a pound, the amount fixed by the Farm Board, and pay for the other one-half of the cotton, or 250 pounds, at the present world price, something like 4 cents a pound, let us say, in the primary market? What could a buyer do with it? The buyer could not do anything but export it or segregate it and withhold it from the market. If he is not an exporter he could not handle it.

There would be no practicable way to sell a bale of cotton under this bill. It would be impossible for the farmer to dispose of it, because the purchaser would be required to segregate half of one bale of cotton. If he were buying only one bale of cotton, or if he were buying a hundred bales of cotton, the principle would be the same. He could not segregate it, he could not separate it, he could not put half of it into domestic consumption and hold the other half at the will or wish of the Farm Board. Cotton fluctuates from day to day.

Let us go a step farther. The farmer is producing cotton, let us say, in a given county. Within sight of his field is a factory. The factory buys the raw products of that county, manufactures them into finished products, and sells the finished goods within the State. There is no warrant, of

course, under the Constitution to say to the man who produces, and the man who buys, and the man who sells, and to the men and women and children who consume within the county, wholly within the State, that they must comply with the regulations and restrictions of this particular allotment plan.

Let us see what would happen. Here is a mill which desires cotton. The mill undertakes to buy the cotton from the producer, but the mill buys only the cotton which has been marked for domestic consumption at the price fixed by the Federal Farm Board. The mill receives the cotton, manufactures it into cloth, or into yarn, or what not, and then it discovers that it can not sell its manufactured product in the domestic market. What is it to do? It has paid for the cotton the higher price fixed by the board, or 15 cents a pound, on the assumption that it would use the cotton for domestic purposes, and in good faith it intended to use it to supply the domestic demand, but after having manufactured the cotton into cloth, it finds that it has no market anywhere in the United States and must export it, and must export the cloth for which it paid the high American price and, of course, receive whatever it may receive in the world market.

Mr. HOWELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. GEORGE. I yield.

Mr. HOWELL. I recognize the validity of the argument made by the distinguished Senator from Georgia. I want to call his attention to the fact, however, that his picture of what would happen is just exactly what the cotton goods manufacturer does to-day. He buys cotton; he then has to find a market for it; and if he can not find a market for it in the United States, he has to export it. That would be the situation he would be in under the provisions of this bill.

Mr. GEORGE. Mr. President, of course if he can not find a market he must export; but he has bought his cotton both to supply the domestic demand and the foreign demand, and at precisely the same price, and is placed at no disadvantage.

What I am trying to say to the Senate is that one could not sell a bale of cotton under this bill. Nobody would buy the cotton. The mill could not buy it, the factor could not buy it, for the reasons indicated.

Mr. FRAZIER. Mr. President, will the Senator yield to me?

Mr. GEORGE. I yield.

Mr. FRAZIER. There might be some objection raised if there were just one bale of cotton produced and sold; but that is not the fact, of course. If it were 50 per cent for home consumption and 50 per cent for export, the licensed buyer could pay for half the cotton the farmer brings in the domestic price fixed by the board, and for the other half the world price, as determined, and the exporter would pay that world price, would buy at that world price, or it could be put in storage if the buyer wanted to do so. I do not think there is anything to quibble over in regard to that at all.

Mr. GEORGE. I am not quibbling over it, but if the Senator were engaged in cotton farming and marketing, and knew the cotton business, he would know that under this bill he could not sell his cotton, because no one, generally, would buy. The farmer himself can not foreknow, when he begins to gather his cotton, how much he is going to make. He can not take two bales and say, "This one is for the domestic consumption, and this other one for the export trade," because he can not foreknow what his total crop will be. He has to deal with it as he gets it day by day to the market.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McKELLAR. Take the case of a tenant farmer, and probably most of the cotton is raised by tenant farmers. Suppose he raises 15 bales of cotton; before he raises that cotton he has borrowed the money with which to produce

it, and owes nine-tenths of the value of the cotton after it is raised. What would be the effect of this measure on cotton raised that way? Could the man sell it all to his merchant, or just what would happen? The Senator from Georgia knows, as I know, and as every other Senator from the South where cotton is raised knows, that probably half of the cotton is raised by tenant farmers, and they all have to mortgage their crops in order to get the money with which to produce the crops. How could such a man get along at all, and how could a merchant get his pay under the terms of this bill?

Mr. GEORGE. I do not think he could if the Senator assumes that the terms of the bill are valid and enforceable. But even getting over that hurdle, and having produced the cotton, one who did produce it and who was seeking to dispose of it could not dispose of it to the buyer or to the mill, because whatever may have been the original purpose, every mill man knows that he would probably find it necessary to dispose of his manufactured products in the foreign market, if he disposes of them at all, and therefore you would wholly destroy the market for cotton.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. FRAZIER. This bill is intended to give the farmer, the producer, the cost of production for the amount of his product used in home consumption. Would it not be better for the cotton farmer, even if he has to take, say, 10 cents, if that was the cost of production, for his half of the cotton, than it would be to get 10 cents for half of it and 4 cents for the other half? Would not that put him in position to pay his debts a great deal better than if he received the world price for all of it?

Mr. GEORGE. I fully agree with the Senator that it would be better if the farmer got anything, but he would not get anything for his cotton. He would have to go out of the cotton business if this bill should become law and was enforced. Generally he would not be able to sell it at all.

Mr. FRAZIER. Mr. President, under this measure the buyer would be licensed.

Mr. GEORGE. Yes.

Mr. FRAZIER. And he would be compelled, under the law, to pay the cost of production as fixed by the board for a percentage of each farmer's production, based on cost of production.

Mr. GEORGE. Who would be compelled to buy it?

Mr. FRAZIER. The licensed buyer would be compelled to buy it or lose his license to buy.

Mr. GEORGE. That is the chief weakness of the measure, as I see it; its framers have not found anybody to whom they can say, "You must buy this cotton at the price we fix." That is a defect in the scheme.

Mr. FRAZIER. The measure provides that no one can buy cotton or other products as a business unless he is licensed.

Mr. GEORGE. Exactly.

Mr. FRAZIER. And an embargo would be placed against importing any of a given product at a price below cost of production. Then no cotton would be sold and no cotton would be bought unless it were bought through these licensed buyers.

Mr. GEORGE. Yes; but buyers would not want a license. They would go out of business as quickly as they could get out. You can not make anybody buy cotton.

Mr. FRAZIER. Of course not. You could compel them to go out of business, though, if they did not comply with the law and buy under the regulations.

Mr. GEORGE. That is what would result.

Mr. FRAZIER. And then some one else would go into the business.

Mr. GEORGE. Then the entire market would be gone.

Mr. FRAZIER. No; we would have to have cotton, with these regulations, just the same as we do now, for our factories and mills, and they would pay cost of production for the amount used for home consumption. That would be all the difference.

Mr. GEORGE. Mr. President, I wish the Senator's idea could be actually translated into law; but as a practical man,

who has spent most of his life in the cotton fields, I am decidedly disposed to doubt that we could make this law work at all.

Mr. FRAZIER. Mr. President, I wonder whether the Senator from Georgia would be willing, then, to strike cotton from this bill?

Mr. GEORGE. I certainly would be delighted to have it stricken out of the bill.

Mr. FRAZIER. As far as I am concerned, my interests are with the people of the North, who raise wheat, and I am not concerned with cotton any more than to see that the people who raise cotton get cost of production for at least the part that is used in home consumption.

Mr. GEORGE. Mr. President, I am not discussing the wheat problem, because I do not know much about it, but I am discussing the cotton problem.

May I call the Senator's attention to this language in the allotment plan?—

Such portion of any agricultural product shall enter commerce at a price per unit not less than the cost of production of such commodity as ascertained by the Federal Farm Board.

That is, the price for the portion that is found to be necessary for home consumption.

The remaining—

Now we are dealing with 60 per cent of the cotton—

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of as directed by the Federal Farm Board, except that it shall not be disposed of in the domestic market.

That sentence alone would make it impossible to sell a single bale of cotton in ordinary course of trade.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Georgia yield to the Senator from Montana?

Mr. GEORGE. I yield.

Mr. WALSH of Montana. There is really no occasion for striking cotton out of the provisions of this bill, because it could not possibly fall under them. The first subdivision of section 14, at the bottom of page 18, reads:

To the end that the policy declared in this act may be effectuated, the Federal Farm Board is authorized, whenever it finds that the importation into the United States of any such agricultural products or their substitutes produced outside of the United States materially affects or is likely to materially affect the sale in the domestic market of any such agricultural products at a price not less than the cost of production—

Then it proclaims that fact.

Inasmuch as no cotton is imported into the United States, of course, the importations can not possibly affect the domestic price, and therefore the board never could proclaim such a condition as that.

I do not care to get into the cotton end of this matter, but I call the attention of the Senator from Nebraska and the Senator from North Dakota to the same situation with respect to wheat.

The price of wheat in the United States is but very slightly affected, if it is affected at all, by importations of wheat from other countries. That is not what bears down the price of wheat. It certainly is not reduced below the cost of production by reason of the importations of wheat from abroad. I submit to the Senator from North Dakota particularly that he has the bill in such shape that wheat can not possibly come under the operation of the bill.

Mr. McKELLAR. Mr. President, I want to say to the Senator from Montana that he is mistaken about the cotton not being imported into this country. My recollection is that in 1930 or 1931, I have forgotten which, there were 300,000 bales of Egyptian cotton imported into this country. In the Mississippi Valley and also in the Imperial Valley, and I think on some of the islands along the Atlantic coast, long-staple cotton is raised which comes in direct competition with the Egyptian cotton which is imported into this country.

Mr. WALSH of Montana. I was not speaking about long-staple cotton.

Mr. McKELLAR. The Senator was speaking only about short-staple cotton?

Mr. WALSH of Montana. Yes.

Mr. McKELLAR. I do not think there is any short-staple cotton imported.

Mr. WALSH of Montana. When we spoke about cotton I took for granted we spoke about short-staple cotton.

Mr. GEORGE. Mr. President, I assume, of course, the American mills import some short staple, the long length short staple. Our mills or buyers have on occasion imported short-staple cotton for the purpose, no doubt, of controlling the market.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. GEORGE. I yield.

Mr. NORRIS. Several times the Senator has said with reference to cotton that under the bill not a bale of cotton could be sold. I wonder if the Senator means under the bill? Was he not referring particularly to Title III?

Mr. GEORGE. Yes; I was referring to the allotment plan.

Mr. NORRIS. His remarks might be misleading. I am not finding fault with the Senator, but there are three methods provided in the bill and he is speaking of Title III, which is called the allotment plan.

Mr. GEORGE. Yes; exclusively.

Mr. NORRIS. The remarks of the Senator would not apply to the debenture plan.

Mr. GEORGE. Not at all. The only thing I said about the debenture plan was with reference to the provision for a tariff, which I am advised has been stricken out of the bill.

Mr. NORRIS. I remember the Senator was talking about it and somebody interrupted me and I was not able to follow his statement through. What was that provision in the debenture plan?

Mr. GEORGE. It is found on page 15, beginning in line 14, as follows:

On and after July 1 next following the passage of this title, a customs duty of 4 cents per pound shall be levied, collected, and paid on all cotton imported into the United States or Porto Rico in the same manner as other customs duties are levied, collected, and paid.

I am advised that that has been stricken out of the bill by amendment.

Mr. NORRIS. Yes. Will the Senator look on page 8, which is the equalization-fee portion of the bill, commencing with line 14 and running down to the end of line 23? Does the Senator remember whether that language was in the so-called McNary-Haugen bill which we passed through the Senate on two or three different occasions?

Mr. GEORGE. I do not recall.

Mr. NORRIS. I agree with the Senator that that is levying a tariff straight out. I do not see the necessity for it here. Certainly under the Constitution, it seems to me, it would vitiate that part of the bill, because we have no authority under the Constitution to initiate a revenue measure.

Mr. GEORGE. That was my comment upon that particular provision. Of course, if we attached it to a revenue bill, it would be a different thing.

Mr. NORRIS. Oh, yes.

Mr. GEORGE. I would like to take this occasion to say that it seems to me to be essential, in any proper operation of the debenture plan or the equalization-fee plan, to impose tariffs upon importations and reimportations of farm products. That must necessarily be done.

Mr. NORRIS. That could not apply where there is to be a tariff imposed.

Mr. GEORGE. No; nor where there is a tariff already in existence.

Mr. NORRIS. Of course, if we wanted to adopt a plan putting some commodity on the free list in order to make it effective, we would either have to impose a tariff or resort to the method proposed in the debenture plan by making a straight levy on the product.

Mr. GEORGE. That is quite true.

Mr. President, I merely wished to offer these comments upon the bill generally. I do not wish to be understood as saying that any allotment plan would be subject to the criticisms which I have suggested. It occurs to me that an allotment plan might be worked out which would be free of the objections, but I am speaking of the allotment plan in this particular measure. Notwithstanding the admirable purposes of the author of the bill and of those who are championing it on the floor, and notwithstanding the extreme urgency for relief to agriculture, I do not see how the allotment plan here presented could be made applicable to the cotton industry.

Mr. NORRIS. Mr. President, I feel that some serious objections have been raised to the bill. It illustrates, it seems to me, the dangers in the pathway which the Senate has been traveling now for a month or six weeks. We are undertaking, it seems to me, to do some impossibilities. In the anxiety of Senators to adjourn and in the anxiety of Senators to enact some relief for agriculture, I am afraid we are trying to do things that we would not undertake if we were more deliberate. I think it is true of every Senator—and I am speaking now only from my own experience, though I do not believe I am an exception to the general rule—that there has not been a session of Congress in the last 40 years when the work of Congress has accumulated and piled up in front of Senators as is the case at the present time. We have been working almost day and night. I know from my own experience it has become impossible for me to give individual attention to a great many things in which I have a deep interest.

I am a member of the Committee on Agriculture and Forestry and have been ever since I have been in the Senate. As Senators know, for a long time I was chairman of that committee. I devoted most all of my time to the consideration of matters coming before that committee. While I was chairman and afterwards, when I was able and was not crowded with the work with which I am now crowded, I tried to attend all the meetings of the committee. I became familiar during that time with, I think, nearly every known proposal for the relief of agriculture. I have read hundreds of the plans. I have listened for weeks and weeks to discussion of them by scientific men who have been instrumental in drawing them, down through the list to and including men who talked most and knew nothing whatever about them. I felt, therefore, sufficiently familiar with the debenture plan and with the equalization-fee plan to vote on them intelligently. When I knew they were the same that we had passed through the Senate previously, I did not consider it necessary to give my attention to them.

That is not true, however, of the allotment plan. I am not sure but that an allotment plan may be worked out to be the best of any plan proposed. I do not believe it is worked out in this bill. I could satisfy myself in voting for the bill, however, because none of the plans is mandatory. It is not at all likely that the Farm Board, if the bill should become a law, would ever put more than one of the plans into effect. I take it that they would not put the allotment plan into effect at all as we have it in this bill. It seems to me there are at present some very objectionable features that would have to be worked out. The Senator from Georgia [Mr. GEORGE] has called attention to one. I think there are others in the bill. In voting for it I do not want it understood that I am giving my approval to the allotment plan as it is set forth in the bill. Neither do I want it to be understood from what I say that I am condemning the allotment plan.

A great deal of attention has been given the allotment plan by very eminent students of the subject. I never gave it any study to amount to anything until recently. I am afraid that the provisions of the bill with regard to the allotment plan as set forth in the bill are unworkable. If we pass the bill I would like to have my vote explained to that effect, not because I condemn it. If we had more time, if we could consider these things as we have in the past, we probably could work out a plan that would be satisfactory and that would be workable.

On page 8, commencing with line 14 and ending with line 23, we find this language—and this is the part of the bill that applies to the equalization fee:

Under such regulations as the board may prescribe, the equalization fee determined under this section for any agricultural commodity produced in the United States shall in addition be collected upon the importation of each designated unit of the agricultural commodity imported into the United States for consumption therein, and an equalization fee, in an amount equivalent as nearly as may be, shall be collected upon the importation of any food product derived in whole or in part from the agricultural commodity and imported into the United States for consumption therein.

Mr. President, I can not myself see why that is not a straight imposition of a tariff duty upon a large number of products. It is not incidentally there. It comes directly. As we all know, under the Constitution we have no authority to initiate revenue legislation. That would be all right if we had a bill from the House proposing to raise revenue and we were to offer that provision as an amendment. It would be perfectly proper because the Constitution provides that while we are prohibited from initiating in the Senate revenue-raising legislation, yet it is specifically stated that we have authority to offer amendments as we may see fit to House bills dealing with that subject.

I do not believe that language is contained in the equalization-fee plan that we have passed through the Senate at different times and which originated in the Senate, although I have not had time to look it up to see whether that is true or not. However, I have no fear of the court declaring the entire act unconstitutional simply because in one or the other of the plans there is something that makes that plan unconstitutional. To be wise, however, on that subject it seems to me we ought to add an amendment to the bill providing that if the court finds any title or any provision or any part of the act unconstitutional it shall not affect any other part.

Mr. FRAZIER. Mr. President, I may say that the Senator's colleague, the junior Senator from Nebraska [Mr. HOWELL], has such an amendment prepared and ready to offer.

Mr. NORRIS. I would like to ask my colleague if he took that language from the injunction bill which we passed recently?

Mr. HOWELL. No; it was prepared by the legislative bureau.

Mr. NORRIS. They have probably used that form. We adopted a little different plan after a good deal of discussion in the Judiciary Committee on the injunction bill, and it has been used since in a number of bills and copied a great deal. I think it is a much better provision than we used to put on our bills. However, even without that provision I think it is the duty in a general way of a court, in passing on the constitutionality of an act of Congress, if it finds that the unconstitutional part of it is not the main object in passing a bill and that the balance of it can stand as a concrete proposition without the unconstitutional part, not to declare the entire act unconstitutional.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I yield.

Mr. BORAH. The Senator just stated the question as I think it is pretty well established by the courts, that if any particular provision may be regarded as unconstitutional, they will leave intact the workable provisions, and of course will eliminate the unconstitutional part.

Mr. NORRIS. And let the remainder stand. I think that is good constitutional law.

Mr. BANKHEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. BANKHEAD. I should like to ask the views of the Senator as to what effect the elimination of the tariff provision would have upon the effectiveness of the bill in increasing the prices of commodities.

Mr. NORRIS. Even if it left the bill rather unworkable, it could go to the House, where the defect could be remedied, as they have the constitutional power to act in that way; but I would rather strike the tariff provision out than run the risk of having the court hold this whole title unconstitutional on account of that provision originating in the Senate.

Mr. BANKHEAD. The point on which I should like to have the Senator's views is if we do not have a tariff provision in the bill to protect importations, would importations then prevent the accomplishment of the purpose to increase the value of the commodities proposed to be benefited under the bill?

Mr. NORRIS. I think that would depend upon whether or not the particular articles when imported had tariffs on them. In other words, if they had tariffs sufficiently high to keep them out, it would be all right; but if they had no tariffs on them, then the equalization fee would not work. The equalization fee is intended to put the producers of commodities included in or operated upon by the bill on an equality with others who are manufacturing articles or dealing in articles which are protected by a tariff. It is designed to give the producer the benefit of the tariff. It has no other object, so far as I know, and never had any. That was the real object of the bill. It is quite a long bill, because when you come to work out a proposal of that kind it is a very complicated affair. I myself have always doubted whether the equalization fee, on account of its complexities, would be workable as to some commodities. I think it would work as to wheat and corn and cotton, but I do not have much faith in it working as to some other commodities that are manufactured or partially so. So the operation of the equalization fee without a tariff is an impossibility; it simply has no reason for existence, because its only object is to make a tariff effective, as we usually say, to agriculture.

Mr. President, I myself feel warranted at least in voting for this bill, because, even if some of the objections should be held to be good, there would still be left in the bill, in my judgment, intact sufficient to make it workable. I do not have any doubt, as I look at it, but that the simplest proposition that has ever been devised for aiding agriculture is the debenture plan. It is objected to by some because it is said that it is a bonus, and indirectly it is. That objection does not apply to the equalization fee, because the producer of a commodity stands the loss, but it is certainly simple, and it certainly stands intact in this bill if the other objections are held to be good.

Mr. BORAH. Mr. President, is there an amendment pending?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL].

Mr. TRAMMELL. I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment for the information of the Senate.

The CHIEF CLERK. On page 15, line 14, it is proposed to strike out the following words:

On and after July 1 next following the passage of this title, a customs duty of 4 cents per pound shall be levied, collected, and paid on all cotton imported into the United States or Puerto Rico in the same manner as other customs duties are levied, collected, and paid.

Mr. BORAH. Mr. President, I do not desire to interfere with the adoption of the amendment, but, after action upon it, if nobody else desires to discuss the bill I should like to offer an amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. HOWELL].

The amendment was agreed to.

Mr. HULL. Mr. President, unless the Senator from Idaho desires to discuss the bill, I should like to proceed for a few moments.

Mr. BORAH. The Senator from Idaho desires to offer an amendment, which he understands is not now in order.

The PRESIDING OFFICER. The clerk will state the next amendment offered by the Senator from Nebraska.

The CHIEF CLERK. On page 16, line 21, it is proposed to strike out "joint resolution" and insert in lieu thereof "act."

Mr. HULL. Mr. President, I hope I may be pardoned for detaining the Senate for a few moments to offer a brief individual comment on the significance of this measure and its implications so far as American agriculture is concerned.

As the Senator from Nebraska has just stated, the avowed purpose of the equalization fee provision is to attempt to lift the prices of agricultural commodities up to the artificial tariff level occupied by manufactured commodities which are able to avail themselves, more or less, of the tariff benefits.

Mr. President, I think we should thoroughly understand, as we go along, just what we are attempting to do and just what the fundamentals of this economic situation are. This measure puts the spokesmen for the farmer, who are supporting it, in the Senate and the farm leaders of the country, who are sponsoring it, in the position of acquiescing in the present and the recent tariff policy of our country as exemplified by the Fordney and the Smoot-Hawley laws. In other words, Mr. President, the farm spokesmen are saying to the farmers of the Nation that the Mellon-Grundy idea of tariffs should be the permanent and fixed policy of this country and that the farmers and their spokesmen should acquiesce in it without complaint and without any serious effort at any time to mitigate the more extreme provisions it contains. The farm spokesmen are saying in effect to the farmer back home that we have practically an embargo tariff policy so far as it being remotely competitive is concerned; that it is written by the chief manufacturing tariff beneficiaries so far as the lion's share of the benefits is concerned; that it is the duty of the farmers of the country to acquiesce in the economic and tariff and commercial leadership of this the most extreme type of the chief manufacturing tariff beneficiaries. Let them write their own high rates and, of course, give the farmers the fullest opportunity also to write high rates, which in most instances are merely paper rates. The farmer then is expected to trudge along behind the chariot wheels of the chief manufacturing tariff beneficiaries of the country, who are able to get a substantial per cent of the tariff benefits while the farmer gets but little. The farmers' representatives then attempt to construct a scaffold, which may be a very temporary and crude one, but which will afford the only medium by which we may hope that the farmer will get a few of the tariff crumbs that fall from the table of the industrial beneficiaries in this country, whom I have described.

I am not criticizing them. So long as the American farmers will sit still and through their Representatives and Senators acquiesce in Mr. Grundy and Mr. Mellon and men of that type writing our tariff laws and take in return nothing but paper rates for the farmer except as to some minor specialties, of course, the farmers are going on toward economic perdition; and that is the situation in this country.

I want to assert, Mr. President, that if the American farmers instead of this course of supine acquiescence would organize themselves, they could in 48 hours deadlock the Government and compel the consideration of economic policies that would be fair to them instead of allowing policies dictated by the industrial group to become the sole matters of consideration.

There is little wonder that American agriculture is steadily on the decline. I have here the figures of the decline of farm values from 1922, when the Fordney-McCumber bill was enacted, which created two price levels, one for agriculture and one for industry. Farm values have decreased every single year from 1922 down to 1930. If we take as the average value that for 1912 to 1914 and figure it at 100, the farm values in the United States in 1922 were 124; in 1925 were 127; in 1926, 124; in 1927, 119; in 1928, 117; in 1929, 116; in 1930, 115; in 1931, 106; and in 1932, 89. There has been a steady decline of all farm values in this country from 127 in 1925 to 89 in 1932.

That, Mr. President, is the situation that the farmer finds himself in, although he is plastered all over with tariffs. His corn bears a rate of 15 cents a bushel, and yet he is getting only 31 cents on the farm for it. His wheat bears a

rate of 42 cents a bushel, and he is getting only 43 cents on the farm. His eggs have a tariff of 10 cents a dozen, and he is receiving only 10 cents a dozen on the farm for his eggs. His chickens have a tariff of about 10 cents a pound, and he receives only 12.6 cents a pound. His butter has a tariff of 14 cents a pound, and it is bringing in the New York market now only 17½ cents, which is the same as the price of similar butter from Denmark on the world market in London. His hogs have a rate of 2 cents a pound, and he is getting only 3½ cents on the farm. His hides have a rate of 10 per cent, and he is getting only 5¼ cents a pound for them. His oats have a rate of about 15 cents, and he has been getting less than that at times. And so on through the list of farm products, whether they have tariffs or no tariffs.

The farmer has suffered a loss in his commodity values since 1929 of 54 per cent, while the manufacturer on the average has sustained a loss of scarcely more than 30 per cent, with the result that while the farmer pays 114 for what he buys he gets only 52 for what he sells. That is the impossible condition that presents itself; and it is my judgment that so long as we turn away from and dodge these fundamentals of the agricultural situation, and seek by one artificial device after another to bolster up the farmer and scaffold him up in the hope that somewhere along the line he may pick up a few crumbs from the table of the manufacturer's tariffs which the manufacturer is able largely to collect, we are either consciously or unconsciously sending agriculture on to a state of permanent peasantry.

I shall not take the time to read a long list of figures and facts here as to what is happening. We are indulging in the happy dream that we can build up a wall here, and consume what we may be able of farm products, and then dump the others on the different countries of the world.

Mr. President, there is nothing more absurd and utterly visionary than the notion that we can dump our cotton and our wheat and all these other farm products on the other nations. The truth is—and I have here a long list of the laws and regulations governing imports of foodstuffs and other classes in most of the countries—that the country to-day, under our leadership, is largely in a state of economic war. It is largely on an artificial business basis. The nations are completely tied down by restrictions and restraints of every kind that impede commerce, that prevent countries from trading with each other. There is not a nation in the world to-day that could begin to pay us in gold the debts it owes, except France. The other nations could not pay us either in goods or in gold or in any other way under the existing economic practices of this and of other countries, under our leadership.

Mr. President, I do not think myself that we can afford to make the American farmer believe that the only source of relief for him is to go along and support this inordinate tariff policy that is dictated by the chief manufacturing tariff beneficiaries, and then endeavor by these artificial devices to get something out of this artificial situation. In the recent past he has suffered twenty-odd billions of steady losses, during which time almost all of his exports have dried up, with the result that his cotton and his wheat and his other commodities produced on a surplus basis have congested and the bottom has fallen out of the prices; and here we come, year after year, telling the farmer that we can contrive a sort of an artificial device here that will get him something out of this situation.

If we would go straight at the fundamentals of this matter, I think we really could accomplish wonders for American agriculture; but we would be obliged to repudiate this extreme embargo tariff policy, and this policy of almost utterly disregarding our opportunities to sell our surpluses in foreign markets. Nothing is more patent than the fact that a creditor and a surplus-producing nation can not avail itself of tariff rates or tariff benefits in so far as they relate to articles produced on a surplus-producing basis, and yet 90 per cent of the acreage in this country planted to crops relates to just such articles as I have referred to—articles produced on an increasing-surplus basis.

If I had my way, Mr. President, I would insist that the American farmers challenge this 1-sided and lopsided

tariff and commercial policy which we are permitting our industrial friends to dictate supremely. It is true, as I stated, that they give agriculture the empty privilege of writing any kind of rates that in effect are purely paper rates except as to a limited number of these specialties that we grow in this country. If I had my way, I would have the American farmers and the general American public insist on a policy of moderation instead of this embargo tariff policy; insist upon liberal trade practices instead of restrictions and restraints on every exchange in the world, instead of barriers and obstructions to capital and goods whenever it is attempted to transfer them across international boundaries, and in that way offer some opportunity for nations to exchange their surpluses.

Mr. President, we have seen here and elsewhere the most amazing experiments that are intended to get us out of the predicament which these enormous surplus accumulations have brought upon us.

I have before me here a dispatch from down in Brazil. I want to state its substance to those who do me the courtesy to listen. This relates to the coffee situation down there, with which they have undertaken to deal, just as we have in this country with sugar and zinc and copper and lead and a long list of other commodities produced on a surplus-producing basis, which also includes wheat. Down in Brazil they have recently actually assembled and burned, openly and publicly and notoriously, more than 7,000,000 bags of coffee—good, sound coffee of the best quality—in order to decrease the supply and artificially raise and stabilize the price at a higher level. That not proving sufficient, however, they are now assembling 7,000,000 bags, or a total of \$30,000,000 worth, in addition, in order to burn it and more securely raise and stabilize at a higher level the price of coffee.

Mr. President, it is devices of that kind that we in this country are being gradually driven to. It is just such artificial arrangements and contrivances that any nation on a substantial surplus-producing basis is inevitably driven to when it permits industry to fence itself off by prohibitive or embargo tariffs.

I know how uninteresting this viewpoint is to some, but it is not unusual to experience that situation. We have in this country to-day eight or nine million unemployed people, and they are on their feet at the instance of some of our ultra-high-tariff friends expressing their concern about poorly paid foreign labor. They would not for the world abandon that utterly nonsensical and false cry about serious competition as to the great majority of our industries from what they call ignorant pauper foreign labor. It is a paradox to see 8,000,000 absolutely unemployed, idle wage earners in this country, with its mountain-high tariffs, expressing fear about some kind of so-called ignorant foreign labor.

Then we have our six and a half million farmers with our 30,000,000 farm population that have steadily drifted down to the very verge of bankruptcy, falling up to this time either themselves or through their leaders to prepare a sound program that will deal with the actualities of the farm situation in this country.

Mr. COSTIGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Colorado?

Mr. HULL. Yes.

Mr. COSTIGAN. In all the years in which the able Senator has served his country as a legislator, has he ever unearthed facts which have led him to believe that agriculture and manufacturing may be brought to a parity of returns on investments through the use of the protective tariff? If so, his conclusions differ from mine.

Mr. HULL. Not if we permit the manufacturer to write his own rates without restraint, and leave to the farmer the poor privilege of writing equally high rates, but most of which in effect are paper rates; and that is why the farmer is in his present situation.

This Nation could enter upon a policy of reasonable or moderate tariffs with such trade policies as would give us a market for all of our surplus, and permit both industry and

agriculture side by side to go forward to a remarkable development. But that is not the proposition.

I was about to say that we have many strange conditions of psychology in this country. There is at Chicago to-day a seething mass of politicians, who are not even remotely thinking about anything except the prohibition question. Here is this Nation in the welter of the most destructive panic in human history, more people in a state of suffering and distress, greater opportunities for the relief of human misery, than have ever been offered a parliamentary body. Yet the leaders of a great political party at Chicago, according to the news reports, are not even thinking about remedies for these conditions of distress, either as to agriculture, or mining, or manufacturing, or any other group or section of our common country. We have been bumping along in this state of unprecedented distress for nearly three years, and no leadership yet has undertaken to offer a single basic remedy for a single basic cause of this awful economic collapse.

There is no time for anything except to talk about prohibition, or some other collateral or necessarily subordinate problem. I am not attempting to minimize prohibition or like questions, but I am attempting to emphasize the importance and the urgency, as well as the supreme duty of government, to go to the fundamentals of this awful panic situation and devise some sort of fundamental remedies.

The first thing I would do would be to join in a movement to reform our whole expenditure and tax and debt situation in this country—Federal, State, county, and municipal. Nothing is more patent than that since the war nations and individuals have hopelessly lived beyond their capacity and have piled up mountains of expenditures and taxes and debt beyond their ability any time soon to cope with.

There will be vast defaults and repudiations, both by governments and individuals, if we continue to go along under our present economic policies. I would launch a movement, if I had my way, which, within the course of one or two years, would lop off at least 35 per cent of our Federal, State, and local taxes and expenditures. I would appeal to other nations which are hopelessly loaded down with similar amounts of taxes and debt and are wholly unable to restore their economic and industrial and trade situations so as to buy from us and from each other—I would appeal to them to pursue the same policy of retrenchment and economy which, in my judgment, lies at the foundation of any satisfactory and permanent business and economic recovery.

The next thing I would do for the farmers would be to insist to the cotton farmer, for instance, that he undertake to place himself on the most highly efficient basis, to produce the best possible quality of middling cotton, a quality that would be at a premium in every market in the world and would sell itself. Then, as I said, I would have farm cooperation developed to the highest degree, from production to transportation and distribution. Then I would lower these artificial tariff costs which, in addition to internal taxes, bear so heavily on American agriculture, in such a discriminatory manner, tariff penalties and the resultant trade of obstructions, so that it is impossible for the farmer to market his surplus at anything like the cost of production.

I would thus lower his living costs, his production costs, and his transportation and marketing costs. In that way the farmer would to a large extent be set free from the most important and by far the heaviest impediments that press down upon him and prevent him from going forward.

The farmer will never get anywhere, in my opinion, until he adopts those fundamental policies, instead of blindly trailing along behind the embargo-tariff chariot of our good industrial friends.

That is an issue which the farmer will not get away from, and it is up to him to decide how many more years he cares to suffer and undergo further declines in the values of his products, further falls in the prices of his commodities, further increases of his mortgage indebtedness, until he is willing to rise up and demand of his leaders and his representatives that they adopt a set of basic policies such as I

have described, instead of carrying on more or less of a sham fight with the chief manufacturing tariff beneficiaries in this country and subserviently following their leadership.

Mr. President, if anybody were at all interested in this subject, I could present a great many figures, and a great many facts, which unerringly show how agriculture has been crucified in this country and is to-day being literally crucified, while its spokesmen, well meaning no doubt, stand idly by and talk about some little artificial contraption which will enable the farmer to get on a stepladder and to climb up on a scaffold and hold out his hat and gather a few crumbs if they happen to fall from the tariff table of the chief manufacturing tariff beneficiaries. That is the situation. There is no use concealing it. We should emphasize it so that the farmers over the Nation will go forward with open eyes. They have nobody except themselves to censure for the discriminations which they are suffering and which they will continue to suffer under this species of legislation.

Mr. President, I felt that I should take these few minutes, in justice to myself and any others who might entertain similar views, to point out what in my judgment is the utter inexpediency and unavailability of these contrivances brought in here from time to time in the name of American agriculture.

I concede to others the same honesty of purpose I claim for myself, but I would not be frank if I did not label these proposals as being hopelessly unsound, impractical, and inefficient, as I think they are.

Mr. President, I shall not discuss the details of this bill. I merely desire to present what I conceive to be the economic policy that is raised by their presentation here. I hope that sooner or later there may be an awakening, that when enough more millions of farmers go into bankruptcy, and enough more millions of wage earners in this country go into unemployment, tragic as it is to contemplate such a thing even, we may finally have an awakening that will compel a reexamination of our position as a nation in the economic affairs of the world, and such new and modified policies as the great creditor and the greatest surplus-producing nation in the world should adopt.

Mr. LOGAN. Mr. President, I want to take a very few moments of the Senate's time, not to discuss farm relief, because I think that is an *ignis fatuus*, a will-o'-the-wisp, a disembodied spirit, but one which, like Banquo's ghost, will not down.

The farmers are the princes among the people now. There was a time only recently when the farmer was in very bad condition, but others have become so much worse off than he is that he ought to be congratulating himself. He has corn in the crib, wheat in the bin, meat in the smoke-house, and things of that kind, and while the wolf is howling around his door he can laugh. But that is not true with untold millions who do not know where their next meal will come from.

The farmer is never going to starve in the United States. He is not going to be hungry even. If he runs out of a few little things, he goes over to his neighbor to borrow. We have talked about the condition he is in until we have almost given him an inferiority complex. I think that if we let the farmer alone it will be the best thing that ever happened to him.

TERMS OF PRESIDENT, VICE PRESIDENT, AND REPRESENTATIVES

Mr. President, I said I was not going to talk about the farm problem. I want to talk for about four minutes about another matter.

On May 9 I introduced a joint resolution proposing to amend Article II, section 1, of the Constitution, which resolution, if it should finally become a part of the Constitution, would provide that the President and Vice President should be elected for a term of seven years and be ineligible for reelection for successive terms. The resolution further proposes to amend Article I, section 1, so that Representatives in the Congress shall be elected for a term of four years.

It seems to me that the proposed changes in the Constitution would be wise. Those who are familiar with the po-

litical history of our Nation know that the President during his first term devotes much of his time in preparation for a second nomination and election. He usually devotes the two first years of his first term to the selection of those that duty requires him to appoint. I am persuaded that political considerations largely influence these appointments. Merit does not count so much as the number of delegates the appointee may probably control in the next convention. The President would be less than human if he were not influenced by the probable effect on his political future that an appointment will have.

The President, looking to his renomination and knowing that certain measures, though unsound, are demanded by the voters in large groups, may be induced to advocate such measures, believing that he will gain votes thereby when he comes up for reelection.

To speak plainly, the President spends two years in building up a political machine and the next two years in perfecting it so it will operate smoothly. He neglects weightier matters which should have his attention.

That political machines are built up by Presidents is well illustrated by what is now taking place in Chicago. I speak as one having respect for the President who now occupies that position. There is no one in the Senate, regardless of his politics, who believes that the President would be renominated but for the influence of those he has appointed to office. Fully 90 per cent of the Republican voters of the Nation believe that his renomination is unwise, but they realize that they are powerless to prevent his nomination because of the organization which he has perfected. In fact, no one really favors the renomination of the President except the Democrats, and their desire is wholly selfish.

I am not criticizing the President for what he has done. Others occupying the office have done the same thing. Probably no more than three of our Presidents have not been guilty. It is the system that I complain of. The temptation should be removed. If he is made ineligible for the succeeding term, all temptation will be removed and he will consider merit of more importance than political influence. He will be made free, and only a man who is wholly free can serve his country well.

I propose a term of seven years because the Constitutional Convention in 1787 first fixed the term at seven years, and later changed it to four. But there is a better reason to my mind. If the term is seven years the election may be held at a time when there is no election for Members of the House or Senate. Many a worthy servant in these bodies has been defeated when he was mixed up in a presidential election when, if he had stood alone, he would have been returned.

This is no new proposal. Probably a hundred amendments have been proposed, which if adopted would have made the President ineligible for reelection.

I sincerely trust that the able Judiciary Committee will give this question serious consideration at its earliest convenience, and I have no doubt that it will do so.

I will speak a word about the proposed 4-year term for Representatives. The average Representative runs all the time. Since they are generally nominated in primaries, they often have two elections every two years. He is generally a poor man when he begins his congressional career, and he grows poorer every year. He ought to be given a respite. His term should be four years. He will be freer to follow his own judgment if his term is lengthened.

The PRESIDING OFFICER. Without objection, the pending amendment is agreed to. The clerk will state the next amendment.

The next amendment was, on page 20, line 15, after the word "carrier," to insert a dash.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 22, after line 15, to insert:

Sec. 2. Sections 11, 12, 13, 14, and 15 of the agricultural marketing act, as amended, are hereby renumbered as sections 16, 17, 18, 19, and 20, respectively.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 17, line 20, to strike out the word "title" and insert in lieu thereof the word "act."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HOWELL. Mr. President, in connection with the amendment just agreed to there should also be a similar amendment on page 17, line 23, where the word "title" should be stricken out and the word "act" inserted. I move that amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The bill is before the Senate and open to amendment.

Mr. BLAINE. Mr. President, I shall propose certain amendments which, as stated, will overcome some of the objections—in fact, a major portion of the objections—to the allotment plan in the farm bill. I will state the amendments which I wish to propose and then outline the reasons for proposing such amendments. After I have outlined the reasons for proposing the amendments I shall formally offer them in order.

On page 18, line 6, I shall propose an amendment that, after the word "enter," there shall be inserted the words "into interstate," so that the sentence will read:

Such portion of any agricultural products shall enter into interstate commerce at a price per unit—

And so forth. I may say at the outset that three of the amendments refer to the allotment plan beginning on page 18.

The second amendment is, on page 18, lines 11 and 12, to strike out the words "as directed by the Federal Farm Board." I shall also propose an amendment, on page 18, line 13, after the word "market," to strike out the period and insert the words "unless perishable and farm products subject to processing and preserving."

I shall also propose an amendment on page 20, after the word "hereof," in line 3, to strike out the words "and any person who intentionally or knowingly violates any other provision of this title," so that the penalty will apply only to the licensee and shall not apply to a seller, who, of course, in any event would be the farmer who produced the farm commodities or products.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. BLAINE. I yield.

Mr. ROBINSON of Arkansas. On yesterday there was some discussion of the question as to whether the terms of the bill as presented impose a penalty on the producer. I expressed the opinion yesterday that the language does not warrant that conclusion. My study of the subject has been continued, and I must say that there is at least sufficient ground to justify the amendment which the Senator proposes, sufficient ground for the contention that the bill as written imposes a penalty upon the seller, having particular reference to the language on page 18 in section 14, and on page 20, lines 3 and 4, the latter being "and any person who intentionally or knowingly violates any other provision of this title."

That is very broad language and it might be held by the courts to embrace a seller or producer who sells in the domestic market cotton which has been set apart for export. I think the amendment should be given serious consideration.

Mr. BLAINE. Mr. President, I think the Senator's views just expressed are correct. I have thought so from the beginning of the debate. In this connection, while the Senator from Arkansas has raised the question, I shall discuss the reasons why this amendment ought to be adopted rather than to take up the amendments in the order in which I have stated them.

Mr. McNARY. Mr. President, may I inquire of the able Senator from Wisconsin just which language he desires to strike out?

Mr. BLAINE. I propose, on page 20, beginning with line 3, after the word "hereof," to strike out the words "and any person who intentionally or knowingly violates any other provision of this title," so that the penalty clause then would apply only to the person who is the licensee and who intentionally or knowingly is making any purchase in violation hereof shall then be deemed guilty of a misdemeanor, and so forth.

Mr. McNARY. I think it highly important that that matter should be deleted. I am very happy the Senator has offered the amendment. So far as I am concerned, I shall accept the amendment.

Mr. BLAINE. Mr. President, I want to point out the reasons a little more specifically. Turning to page 18, it will be observed that "the Federal Farm Board is authorized and directed to ascertain and make public the part of domestic production"—I assume that means the production which is to be sold in the domestic market, that is, within the United States—"of any agricultural product which is needed for domestic consumption." Then the language proceeds as follows:

Such portion—

That is, that portion of the agricultural product needed for domestic consumption—

Such portion of any agricultural product shall enter commerce at a price per unit not less than the cost of production of such commodity as ascertained by the Federal Farm Board for the year during which such commodity was produced.

Mr. President, there can not be a purchaser of a farm commodity unless there is a seller. That, of course, is axiomatic.

So that if a licensee purchases a farm product for a price less than the cost of production as fixed by the board, the seller then has offered his product to enter commerce at the same reduced price, and thus becomes liable under the penalty clause. That is one proposition. The other is this:

The remaining or surplus portion—

That is, the portion that is not needed for domestic consumption—

if any, shall be exported, withheld from market, or otherwise disposed of as directed by the Federal Farm Board, except that it shall not be disposed of in the domestic market.

Under that clause there is only one person involved, and that is the farmer—the man who produces farm commodities or farm products. If he should sell any portion of his milk, for instance, in my State, to be delivered to the consumers of milk in the city of Chicago, and that milk was surplus milk, he would be guilty of an offense under this provision. So, I think, under either of these two circumstances the farmer would find himself going to jail for the violation of the law.

I am sure it was not the deliberate intent of the authors of the bill or the proponents of this particular measure to impose any such penalty upon the producer of a farm commodity or a farm product.

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Oklahoma?

Mr. BLAINE. I yield.

Mr. THOMAS of Oklahoma. Under the terms of the section does the Senator think that in the absence of action by the Farm Board any person selling a commodity would be liable in any way under the other terms of the bill? In other words, is it not a fact that under the provisions of the measure the Farm Board must make rules and regulations respecting any given commodity before anyone would be liable for doing anything about such commodity?

Mr. BLAINE. Of course, that is a condition precedent. The Farm Board could bring into operation this proposed law; and when the Farm Board does bring into operation this particular plan and the farmer violates either one of the two conditions to which I have referred, the farmer will be penalized under this proposal unless the amendment shall be adopted.

I think that is made perfectly clear; I need not discuss that further. I therefore, Mr. President, propose an amendment—and I do this for the sake of hastening along the consideration of the bill—on page 20, line 3, after the word "hereof," to strike out the words "and any person who intentionally or knowingly violates any other provision of this title," so that the subsection will read:

(3) Any person who, without a license issued pursuant to this section, intentionally or knowingly engages in or carries on any business for which a license is required pursuant to this section, or intentionally or knowingly makes any purchase in violation hereof, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$500 or imprisoned for not more than six months, or both.

I offer that amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. BLAINE. Mr. President, taking up the other proposed amendments in the order in which I mentioned them, I come back to page 18, line 6, and I wish to offer an amendment. On page 18, line 6, after the word "enter," to insert the words "into interstate," so that that particular sentence will read:

Such portion of any agricultural product shall enter into interstate commerce at a price per unit not less than the cost of production of such commodity as ascertained by the Federal Farm Board for the year during which such commodity was produced.

Mr. President, commenting upon that suggestion, I think it is admitted—and I express that opinion with a considerable definiteness—that there are no two lawyers, no group of lawyers or any single lawyer or any judge who would for one instant contend that Congress has power over intra-state commerce. In other words, Congress has no power to regulate commerce wholly within a State. There has been serious objection offered because the bill includes "any commerce" and applies all the conditions of the allotment plan not only to interstate commerce, that is, commerce between the several States and among the several States, but also applies the provisions of the plan to commerce within a State. By the adoption of such an amendment as I have offered that criticism would at once be removed.

I think I can also, with some degree of definiteness, state that there are no two laymen who, if they will sit down and think about this proposition for just a moment, will contend that Congress has any power to regulate commerce wholly within a State. The Constitution of the United States prescribes the powers and limitations upon Congress. Under section 8 of Article I of the Constitution, the United States Congress is given the power—

To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

Congress has no other power than that which is conferred upon it by the Constitution, and the Constitution confers power with respect to the regulation of commerce limited to the regulation of commerce "with foreign nations and among the several States, and with the Indian tribes." So by the adoption of this amendment the criticism which has been applied to the bill will at once be dissipated so far as that constitutional objection is concerned.

Mr. President, this may be rather an irregular manner of presenting these amendments; but for the sake of expedition, I now offer the amendment to which I have referred, on page 18, line 6, after the word "enter," to insert the words "into interstate."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. BLAINE. Now, Mr. President, I propose another amendment, and I will point out the reasons why the amendment should be adopted. On page 18, lines 11 and 12, I move to strike out the words "as directed by the Federal Farm Board," so that the sentence in which said language is contained will read as follows:

The remaining or surplus portion, if any, shall be exported, withheld from market, or otherwise disposed of, except that it shall not be disposed of in the domestic market.

Mr. President, after the Federal Farm Board has ascertained and directed and made public the portion of the domestic production of any agricultural product which is needed for domestic consumption the power over the remainder of the production—that is, over the surplus—is vested in the Federal Farm Board. The Federal Farm Board has power under the paragraph I have read to permit the surplus portion to be exported and to prohibit that surplus from the market; that is, "it shall be withheld from market," and I presume that means the domestic market, and the board has the power to otherwise dispose of the farm product as the Farm Board may direct.

It may be contended—and I have heard it mentioned, though not very emphatically—that the Federal Farm Board would never enter an order for the destruction of any farm commodity or farm product; that the Farm Board would not be so silly, crazy, and insane as to direct the destruction of any surplus of a farm product. I am not so sure about that. If we may judge the future by the past, the chances are that the Federal Farm Board will be just as insane and just as crazy in the future as it has been in the past with respect to its suggestions. I am using the words "crazy" and "insane" not from the standpoint of the mental disability of members of the Farm Board; but in the operation of their functions and duties I think their suggestions have been absolutely asinine to the degree of insanity.

The Senator will recall that last year the Federal Farm Board advised and recommended that every third row of cotton be destroyed. The purpose of that was to eliminate the surplus. Mr. President, such a suggestion exhibits a condition of official-mindedness that not only borders on insanity but is official insanity.

Even worse than that, the Federal Farm Board made another suggestion, or at least by implication it made the suggestion. As all Senators know, my State is a great dairy State. I think over one-tenth of all the dairy cows of the United States are in the State of Wisconsin. As I recall—I may not be exact in the percentage now; it changes from time to time—but Wisconsin produces approximately 75 per cent of all of the American cheddar cheese and foreign cheese that is produced in the United States. Seventy-five per cent, three-fourths of the entire production of the United States, is in my own State.

Now, let us look at this suggestion of the Federal Farm Board. There is what is known as the Dairy Advisory Committee. I will not give the membership. There are some lawyers upon the committee who are drawing down some very handsome salaries as advisers to cooperatives for the legal advice that they may give. Some of those lawyers, as I say, are members of this Dairy Advisory Committee. There are some other men who are members of this advisory committee who are somewhat equipped to give some advice upon dairying but whose judgment, if followed, would result in tremendous loss to the dairymen of my State and the dairymen of every State.

This Dairy Advisory Committee, I do not know on what date, but I think it was October 20, 1931—the release for the afternoon papers was for October 22, 1931—issued a statement in which they recommended that all low-producing and unprofitable cows be culled from the herds and sold for slaughter. That was no new theory. The State of Wisconsin, under the direction of the agricultural department of the university, has been preaching that all dairy cows that are commonly known as "boarders," that do not make their board and keep, ought to be culled from the herds. That advice has been generally followed; and the Dairy Advisory Committee is about 40 years beyond the times on that. That has been going on in my State to a very high degree of perfection. But this is what they further advised:

And that the farmer reduce the size of his herd by eliminating at least 1 cow out of every 10.

There is no way by which the farmer could eliminate any of the good dairy cows out of his herd except to send them to the slaughter or kill them and bury them upon the farm.

Mr. President, I happen to be in association with some farmers of my State who were interested in the possibility of taking over a cheese and butter factory, who had consulted me respecting the organization, and while we were chatting about that proposition I received this communication, and asked them what they thought about the proposition that the dairy farmer of my State, after he had culled out the useless or "boarder" cows, should kill or send to slaughter every tenth cow. The dairy farmers unanimously said, "Why, they are a lot of damned fools."

It may not be entirely parliamentary, but it was emphatic and mighty expressive. Remember, the Farm Board sponsored the suggestion and issued the newspaper release.

With those two illustrations, I am unwilling to trust to the Federal Farm Board the agricultural interests of this country, and give them the power to say that every other row of cotton shall be destroyed, and every tenth dairy cow shall be destroyed, and one out of a certain number of bushels of wheat shall be destroyed. We do not know what action they might take. I am unwilling, in view of their expression of opinion in the past, to put such great power into the hands of the Federal Farm Board—the power to tell the farmers of this country that they must not dispose of their surplus product except in some particular way as directed by the Federal Farm Board.

Striking out the words "as directed by the Federal Farm Board" will leave the sentence reading as follows:

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of, except that it shall not be disposed of in the domestic market.

I now offer that amendment in the course of this debate.

The PRESIDING OFFICER (Mr. CAREY in the chair). The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. HOWELL. Mr. President, may the clerk please state the amendment?

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 18, lines 11 and 12, the Senator from Wisconsin proposes to strike out the words "as directed by the Federal Farm Board," so that it will read:

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of, except that it shall not be disposed of in the domestic market.

Mr. FRAZIER. Mr. President, I should like to ask the Senator from Wisconsin how this provision is to be worked out unless it is through the Farm Board or some other organization of that kind. The bill provides that it shall be done by the Federal Farm Board. If this were stricken out, it seems to me it would tend to destroy the value of the bill.

Mr. BLAINE. Mr. President, my answer to that question is this question: Does the Senator from North Dakota believe in giving the Federal Farm Board the power to direct that a farmer shall destroy the surplus part of his production?

Mr. FRAZIER. This has nothing at all to do with that, that I see.

Mr. BLAINE. I am surprised. That is exactly what it says:

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of—

How? "Or otherwise disposed of," how?—

As directed by the Federal Farm Board.

Of course they have the power to dispose of that surplus crop by directing that it may and shall be destroyed. There is not any other interpretation that can be put upon that language. What other purpose has it? Where will the surplus go? It may not go into export. If it is withheld from the market it can not be sold.

Mr. FRAZIER. Why can it not go into export?

Mr. BLAINE. There may be no export market. It therefore could not go into the export market. The bill says, "withheld from the market." Well, when you withhold something from the market, and then provide that the Federal Farm Board may "otherwise" order some disposal of

the product, of course, they have the power to destroy that crop or order that it be destroyed.

Mr. HOWELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. BLAINE. I yield.

Mr. HOWELL. If the domestic market can not absorb the product, it must be exported. It can not be used, can it?

Mr. BLAINE. If there is no export trade for it, where will it go?

Mr. HOWELL. If there is no domestic market for it, where will it go? For the portion used in the domestic market the farmer is to receive a United States price. If the domestic market will not consume the product, there is no other place for it to go but in export trade. That is the situation that exists to-day.

Mr. BLAINE. Of course there are places where it may go. It may go into storage if it is capable of being stored.

Mr. HOWELL. But this does not prevent it from being stored.

Mr. BLAINE. Oh, no; it does not prevent it, and the Farm Board may not exercise the power; but the bill gives the Farm Board the power to dispose of the surplus. It says, first:

The remaining, or surplus, portion, if any, shall be exported.

That is one thing. It shall be sent abroad. There may be no export market, however.

It shall be—

withheld from market—

I assume that that means the domestic market. I do not know, but I assume so.

or otherwise disposed of as directed by the Federal Farm Board.

What is meant by "or otherwise disposed of as directed by the Federal Farm Board"?

Mr. HOWELL. But, Mr. President, if the product comes into market, and, if sold, there, would destroy the domestic market, of course, the product should be withheld from the market until the domestic market can absorb it or until it can be exported.

Mr. BLAINE. Does not the Senator appreciate that power is given to the Federal Farm Board to direct the manner in which a farm product may "otherwise" be disposed of? That power is given to the board. It may not exercise the power, but the power rests in the board.

Mr. HOWELL. But, Mr. President, we must give this board some power if it is going to rescue the farmer.

Mr. BLAINE. Is the Senator willing to give power into the hands of the board that will permit the board to destroy or order the destruction of a farm product?

Mr. HOWELL. There is no authority given here for the destruction of a farm product.

Mr. BLAINE. What is meant, then, by "or otherwise disposed of"?

Mr. HOWELL. If they can not export it, it might be used for processing other products.

Mr. BLAINE. Suppose the processors have their shelves filled with the products. They will not take it.

Mr. HOWELL. Under present conditions they would not take it, either.

Mr. BLAINE. Now the Senator is begging the question. Assuming that there are products that are not going into processing, what is going to be done with those?

Mr. HOWELL. What would be done with them to-day if there is no market?

Mr. BLAINE. That is begging the question.

Mr. HOWELL. But here is a point where we can well beg the question, because we are endeavoring to do something for the farmer. We are endeavoring to give authority to aid him to get a United States price for that which he produces, inasmuch as he must pay a United States price for that which he buys. The Senator, however, would strike out this power and authority that we give to protect the farmer. That is the purpose of this legislation—to change the present methods of marketing farm products.

Mr. SHORTRIDGE. Mr. President—

Mr. BLAINE. Just a moment. The Senator from Nebraska says we are trying to do something for the farmer. On this proposition what you are doing is something to the farmer. I have asked the Senator what he means by the language "or otherwise disposed of as directed by the Federal Farm Board." That language must mean something. I have had no answer to that question. Does the Senator say that the Federal Farm Board would not have power to direct the destruction of a farm product of which there was a surplus?

Mr. HOWELL. Mr. President, I certainly would insist that there is no such power granted. It is to be assumed that a governmental agency will act with intelligence and justice to those for whom it is operating.

Mr. BLAINE. Not the Farm Board. Does the Senator recall that last summer the Federal Farm Board urged the cotton producers to destroy every third row of cotton and sent out a report from the dairy advisory committee, and sponsored it, advising that every tenth dairy cow be disposed of?

Mr. HOWELL. Mr. President, I am sure the Senator is mistaken in saying that the Farm Board ever passed such a resolution. There might have been an agricultural advisory committee that recommended some such course, but certainly I am not aware of any resolution or final action by the Farm Board to that effect.

Mr. BLAINE. Mr. President, I shall not permit the Senator to put a misconstruction on what I said. I said that the dairy advisory committee passed a resolution. I said that the Federal Farm Board sponsored that resolution upon its official paper, and gave it out from the Federal Farm Board for release to newspapers on October 22, 1931, which resolution provided that the farmer reduce the size of his herd by eliminating at least 1 cow out of each 10 after he had culled out the "boarders" to which I referred. That is what the Farm Board did—it sponsored it. Furthermore, the Federal Farm Board actually recommended and urged the destruction of every third row of cotton.

Are we going to give into the hands of a department here at Washington such power of life and death over the farmers of this country, give to the Farm Board the right to direct which farm products and farm commodities, if there is a surplus, shall be destroyed? The farmers of this country will never for one moment indorse any such proposal when they know the facts.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. CONNALLY. Is it not the Senator's view that if the Farm Board had had the power, instead of advising the farmers to plough up every third row, the Farm Board would have made them plough up every third row?

Mr. BLAINE. That was in their minds, of course. I assume that if they had had the power, they would have exercised it.

Mr. CONNALLY. Under this bill, if they had that power, instead of telling the farmers what to do, they would order them to do it and make them do it.

Mr. BLAINE. They would order them to do it. I am assuming that the provision is a constitutional and valid provision. I am not discussing the validity or alleged invalidity of it. I am assuming that Congress has the power to do that which is proposed under the allotment plan in section 14. In view of that assumption, the power is conferred upon the Federal Farm Board to direct how the surplus may "otherwise" be disposed of, and that means that it may be destroyed if the Federal Farm Board so directs.

Mr. SHORTRIDGE. Mr. President, will the Senator yield to me?

Mr. BLAINE. I yield.

Mr. SHORTRIDGE. The language of the proposed bill is:

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of as directed by the Federal Farm Board, except that it shall not be disposed of in the domestic market.

Agreeing with the thoughts of the Senator, I also put the question, in the case of the dairy herd, if there is found to be a surplus production from that herd, it shall be exported;

but suppose there is no export market, and it shall be "withheld from market, or otherwise disposed of as directed by the Federal Farm Board, except that it shall not be disposed of in the domestic market"—what is the farmer to do?

Mr. BLAINE. The doors are closed to him, of course, and therefore the Federal Farm Board would say, "We will direct that this be destroyed."

Mr. HOWELL. What would he do under present conditions?

Mr. BLAINE. The Senator begs the question when he asks that.

Mr. HOWELL. I have a perfect right to beg the question.

Mr. BLAINE. But let me call attention to the fact that there is no Federal Farm Board to-day that has any power to tell the dairymen of our State that they shall destroy their milk, or that they shall destroy their calves, or that they shall destroy every tenth dairy cow; or the farmers of North Dakota that they shall destroy one-tenth of their wheat crop; or the farmers of Nebraska that they shall destroy one-tenth of their corn crop. There is no such power.

Mr. HOWELL. But the farmers in the Senator's State are getting 13 cents a pound for butterfat now. That is what the farmers are getting for butterfat to-day. Is not the Senator willing to make some disposition so as to afford them a fair price? The Senator knows they can not produce butterfat for such a price. How does the Senator propose to relieve them?

Mr. BLAINE. Mr. President, the Senator is begging the question. I have not suggested that the farmer should not have a fair price for his product. I have not suggested that the farmer should not receive his cost of production. I have made no such contention, and it is unfair for the Senator even to intimate by inference that I have made any such suggestion.

Mr. HOWELL. Mr. President, I did not suggest that the Senator from Wisconsin had made such a statement. I stated the fact that the farmer to-day was getting 13 cents a pound for butterfat, and I asked the Senator how he proposed to come to the farmer's rescue.

Mr. BLAINE. Mr. President, the Senator begs the question—repeatedly begs the question. The Senator has not yet advised the Senate in answer to my question: Will not the Federal Farm Board have the power to direct the destruction of a surplus?

Mr. HOWELL and Mr. FRAZIER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. BLAINE. I would like to have the Senator from Nebraska answer that question, after he has been so persistent.

Mr. HOWELL. I will answer the question, Mr. President. In my opinion, such a construction would not be upheld by any court.

Mr. BLAINE. I perfectly agree with the Senator.

Mr. HOWELL. Then it could not occur.

Mr. BLAINE. I assumed the legality of this provision. I assumed that it was constitutional, and, indulging that assumption, if it is constitutional, the Federal Farm Board would be upheld by the courts. But I do not for one moment believe that Congress has the power to bestow on any commission or any department the right to declare that a surplus shall be destroyed. It is a good thing for this country that Congress has not that power. It is a good thing for the farmer. He should not be subjected to a bureaucracy here in Washington which could compel him to destroy his tenth dairy cow, to destroy one-tenth of his wheat, to destroy one-tenth of his milk, one-tenth of his butter, one-tenth of his cotton, or one-tenth of any commodity or product produced by him. The Constitution of the United States stands between him and a Congress that would confer such a power upon a board.

The Senator has stated exactly the proposition, that no court would uphold any such order, because we could not grant a board any such power. I do not assume for one moment that the Senator from Nebraska is endeavoring to

palm off on the Senate an invalid and unconstitutional provision. I think more of the Senator than to believe that he would endeavor to palm off on the Senate and palm off on the farmers of this country an unconstitutional and an invalid provision. I do not believe the Senator from Nebraska wants to go so far as to give a promise to the ear, as the Senator from Montana [Mr. WALSH] said.

The Senator has indeed expressed exactly the situation, that there is no authority in the Constitution for Congress to confer upon a Federal Farm Board, or any other body, the power or right to destroy products of the farm.

Mr. HOWELL. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. HOWELL. There is no statement in this measure to the effect that the Federal Farm Board can order destruction of property. There is no statement of that character. The Senator from Wisconsin reads that into the measure, and I, controverting it, call his attention to the fact that any attempt to read anything of that kind into this measure would be prevented by a court. It does not follow, therefore, that I am for an unconstitutional provision in this bill.

Mr. BLAINE. Let me ask the Senator what does follow a production of the farm when there is no export demand for it, no export market for it, when it must be withheld from the market? Where can that crop go?

Mr. HOWELL. It can be used upon the farm, just as skim milk is being used upon the farm now. There is no market for skim milk. What do the farmers do with it? Skim milk costs to produce. What are they doing with their excess skim milk? The situation in regard to skim milk is what would confront the farmer if he had a product which he could not sell in the domestic market and could not sell in the foreign market. What would he do with it? He would utilize it upon his farm as far as practicable. That is what he would do with it.

Mr. BLAINE. Mr. President, the Senator very ingeniously talks about skim milk used upon the farm. Why does he not say sweet milk or whole-cream milk? What the Senator says to the farmer is, "Take your sweet milk back to the farm and feed it to the hogs." That is what the Senator proposes.

Mr. HOWELL. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. HOWELL. So far as operating a dairy at this time is concerned, statistics for the month of April for my State showed that a farmer was feeding a cow, was caring for it, was milking it twice a day, and getting 1 pound of butter fat from that cow, which was selling for from 13 to 14 cents a pound. I think the Senator will admit that it would probably have been better for the farmers who cared for cows during the month of April to have been rid of them, because they were not getting the cost of production from those cows. At the outside the estimate was that the farmer was making 1 cent a day per cow. That is the situation confronting the farmer in this country to-day, and we are endeavoring to find some way to remedy that situation.

Mr. BLAINE. Mr. President, it is very evident that the Senator from Nebraska does not own a dairy farm, does not operate a dairy farm, does not milk any cows, has no cows to milk. He is one of the city advisers to the farmer. We have had a lot of them in the past. We have had business men advising the farmer, we have had the city folks advising the farmer until to-day the farmer has been brought to his knees, economically speaking. He has been following too long the advice of business men and city folks. The Senator from North Dakota [Mr. FRAZIER] sotto voce suggests "lawyers." May I intrude a personal note, so far as I am concerned, and say that my interests and investment as between my profession and a dairy farm is all in the dairy farm. I know the losses we are suffering. I know that there is no one who has a right here in Washington, either on the floor of the Senate or from a department, to tell the dairyman to take his milk home and feed it to the hogs.

Mr. FRAZIER. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. BLAINE. Just a moment. The farmer pours milk into hogs that bring \$3.50 per hundred pounds, and even less than that, so that the return on hogs is less than is the return on milk. Then for Senators on the floor of the United States Senate to suggest to the farmer to take his milk home and feed it to his hogs is surprising to me. I am not surprised that that sort of philosophy initiates this kind of a provision, which permits the Federal Farm Board to tell the farmer to destroy his cotton, to destroy his milk, to destroy his butter, to destroy his pork, to destroy any commodity of which there may be a surplus.

There is no answer to the question except the begging of the question. Of course, the farmers are distressed. That is no answer to the question I have been propounding. The power is lodged with the Federal Farm Board to direct the manner in which the surplus commodities on the farm shall be disposed of. That is the plain language. If the act should be held valid and constitutional, then that power is valid and constitutional and the Federal Farm Board can exercise that power. If this is not valid, if it is unconstitutional, then we should not hold out the promise to the farmer that it is going to aid them. If it is valid and if it is constitutional, then I am opposed to any proposal which authorizes a department or a board or the Government in any form or under any characterization to compel the farmer to destroy that which they determine to be the surplus crop.

Mr. NORBECK. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. BLAINE. I yield.

Mr. NORBECK. Is not the Senator in accord with a great deal of the bill?

Mr. BLAINE. I am not opposing the bill.

Mr. NORBECK. Are there not important features in the bill which, if put into effect, would put agriculture on a better basis?

Mr. BLAINE. Let me say to the Senator that there are many good features in the bill. There may be many good features in the allotment plan. What I am trying to do is to take out those features which are clearly unconstitutional, recognized even by the laymen as unconstitutional. I am endeavoring to perfect the allotment plan so I can with justification defend it.

Mr. NORBECK. I am sure the Senator from Wisconsin misunderstood me. I was trying to call attention to the other parts of the bill. There is too much emphasis being laid on the things which may justify criticism and too much forgetting that a constructive measure is before us.

Mr. BLAINE. There is scarcely any criticism of those portions of the bill which are constructive. There are excellent provisions in the bill. There is no question about the debenture plan being a plan which will make the tariff effective as to farm products. The Senator from South Dakota and I are in absolute accord on that proposition. It is highly important that we have a measure enacted at this session of Congress to make the tariff effective on farm products. We were promised that away back in 1928. A special session of Congress was called for that purpose. I voted on every roll call to make the tariff effective as to farm products, and the Senator from South Dakota, to his honor, also voted to carry out the pledge that had been made. We are in absolute accord on that matter. I am not opposing the bill as a whole. I am endeavoring to perfect what I think ought to be perfected in the allotment plan, so that if there is any value in it those provisions which are clearly unconstitutional will be removed and the plan permitted to operate as an experiment only, perhaps. It may be only an experiment, but it may be worth while to experiment with it when we can also have the debenture plan and the equalization plan. But I do not propose to give the Farm Board power to destroy any portion of a farmer's crop.

Mr. NORBECK. I thank the Senator.

Mr. KING. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. I yield.

Mr. KING. Conceding that the measure does pass and that the debenture plan in the bill possesses some merit, are there any other provisions which have any merit? I confess that Title III is, to my mind, a most remarkable production, absolutely devoid of merit and calculated to produce—

Mr. BLAINE. Mr. President, I apologize to the Senator for interrupting him, but I was in hopes the Senator would not attempt to divert me with a general proposition. I am perfectly willing to answer any question, but I do not want to engage in a general discussion of the other provisions of the bill. I should be glad to answer a specific question.

Mr. KING. The Senator finds himself favoring the allotment plan?

Mr. BLAINE. I am endeavoring to perfect it as much as possible and to remove from it some of the provisions which are admittedly invalid.

Mr. KING. I hope the Senator will pardon me if I suggest that I think he would be serving the country far better if he would move to strike out all of Title III.

Mr. BLAINE. I want the opportunity to perfect it. It may be worth trying. It may be only an experiment, but I do not want an experiment that is going to put into the hands of the Federal Farm Board power to tell any farmer that he must destroy any portion of his product.

Mr. KING. I think the Senator would be doing a great service to his country if he would introduce some amendment that would take from the Farm Board powers which it now possesses and refuse to concede any proposition that increases its power. It has been such a failure, such a tyrannous, bureaucratic, inefficient body that the sooner we get rid of it the better it will be for the country.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

Mr. BLAINE. Certainly.

Mr. FLETCHER. We have some precedent in the matter of the stabilization of prices and the power to destroy surplus. Brazil last year destroyed 7,000,000 bags of coffee beans, the estimated value of which was \$30,000,000. That much coffee was burned last year. Does the Senator apprehend, if the bill should be passed, that it would give some such power as that to the Federal Farm Board whereby they might destroy whatever surplus they saw fit to condemn?

Mr. BLAINE. As I said, upon the assumption that the provision is valid and constitutional—I make that qualification—then under the provision the Federal Farm Board would have the power to determine the method of disposing of the surplus otherwise than as expressed in the paragraph in which that clause appears. That would mean beyond any question that the board would have the power to order the destruction of any portion of the alleged surplus farm crop or commodity.

Mr. President, in these times when we have millions of men and women and children out of employment, some of them without food, many of them on short rations of food, I can not understand why there should be a single ounce of food destroyed. It is far better to go back to the policy of the Pharaohs and store up during the years of plenty the surplus for the years of scarcity and famine. I am not in favor of placing in the hands of the Federal Board the power to destroy any portion of a product of the farm.

Mr. President, I offer the amendment.

The VICE PRESIDENT. The clerk will report the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 18, lines 11 and 12, strike out the words "as directed by the Federal Farm Board," so the sentence would read:

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of, except that it shall not be disposed of in the domestic market.

Mr. FRAZIER. Mr. President, if the amendment is to be voted on, I want an opportunity to speak on it a little while.

Mr. BLAINE. Mr. President, for the time being I will withdraw the amendment and proceed with the next one. Probably there will be no objection to it.

Mr. FRAZIER. Very well.

Mr. BLAINE. On page 18, line 13, after the word "market" and before the period, insert the words "unless perishable and farm products subject to processing or preserving," so the sentence would read:

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of as directed by the Federal Farm Board, except that it shall not be disposed of in the domestic market unless perishable, and farm products subject to processing or preserving.

I will discuss the amendment at this time. It will be observed that the paragraph which I have been discussing provides that—

The remaining, or surplus, portion, if any, shall be exported, withheld from market, or otherwise disposed of as directed by the Federal Farm Board, except that it shall not be disposed of in the domestic market.

There are many perishable products which can be disposed of nowhere except in the domestic market. For instance, in my own State we have over one-tenth of the dairy cows of the country. We produce a veritable Niagara of milk.

Our outlet for liquid milk and sweet cream is the city of Chicago to a very great extent. For that liquid milk and that sweet cream—milk that goes into the homes for the breakfast table, served with breakfast foods, and fed to the babies—the city of Chicago is a great market not only for the southern one-third of the dairy section of my State but as far north as 300 miles beyond the southern boundary of my State. That liquid milk is shipped that great distance, sometimes by automobile vacuum-tank trucks—that is, by trucks with vacuum tanks containing the sweet milk—and the same is true as to the sweet cream. The transaction involved in selling that milk to the city of Chicago is interstate commerce. There is a surplus of sweet milk and sweet cream during certain seasons of the year, seasonal surpluses. Under this bill every dairyman in the State of Wisconsin could be deprived of the Chicago market; under this provision that surplus could not be sold in the domestic market. So the sweet milk and the sweet cream which constitute a surplus, under the advice of the Senator from Nebraska, would be taken back to the farm and fed to the hogs. That is just exactly what would happen unless this amendment should be adopted respecting the liquid milk and the sweet cream of which there may be a seasonal surplus in connection with the Chicago milk market.

Mr. President, as I have pointed out, the paragraph provides that the remaining or surplus portion, if any, shall be exported. Of course, one can not export sweet milk and sweet cream; they are barred from the export market so far as Wisconsin is concerned. Perhaps the dairymen of North Dakota may be able to ship some of their sweet cream and sweet milk across the boundary line into Canada, but not so in the dairy States of the Union. I am substantially correct in saying that there can be no foreign export market for liquid milk and sweet cream. If it is to be withheld from the market, as the Senator from Nebraska says, the farmers then must be content to feed it to their hogs.

I am not exaggerating, Mr. President; I am setting forth the exact conditions that will prevail; and I think my own experiences afford me justification for pointing out such unreasonable provisions. Under the wording "or otherwise disposed of" as the Federal Farm Board may direct, of course, the board can direct that surplus milk shall be destroyed, poured into the sewers, or, as the Senator from Nebraska said, fed to the hogs.

Mr. President, milk is a highly perishable product; it can not be subjected to the air for long. The farmers can not afford to store milk in vacuum tanks. It must be consumed within a reasonable number of hours after its production—and the same thing is true as to sweet cream—or it must be turned into butter. Perhaps there may be a surplus of butter, and therefore the farmers can not sell their butter. In any event, milk and its products, of which there might be

a surplus, would have nowhere to go under this bill except into the sewer or to be fed to the hogs.

Of course, the farmers might make their butter without the use of salt, and then use the butter for lubricating oil. Had the Senator from Nebraska been a little more familiar with farming he probably would have suggested that that also be done, as he suggested that the milk be fed to the hogs.

I do not criticize the Senator from Nebraska. I think he is perfectly sincere in this matter and perfectly honest—I am speaking of the junior Senator from Nebraska—but he, like many other honorable and sincere men, may have had only the pleasure of driving by the farmsteads but never the experiences that come to men who spend their lifetime upon a farm.

What I have said has to do with milk, a perishable product. The junior Senator from Nebraska will say that the provision on page 3 respecting the fourth finding of the board takes care of milk and other perishables. Let us examine into that.

Fourth. That the durability and conditions of preparation, processing, and preserving and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section—

In other words, as to milk which through processing can be reduced to powdered milk or canned milk the Farm Board might say that this surplus milk, because of the possibility of its preparation through processing, should be canned, powdered, or malted; but, Mr. President, canned milk, malted milk, and powdered milk exist in such great surpluses that there is nowhere for additional processed milk to go. So, under this provision, we are affording the farmer no avenue through which his liquid milk may go except to be fed to the hogs or poured into the sewers.

Then there is another proposition. Power, as I have said, is put in the hands of the Federal Farm Board to determine when that surplus, if it is not exported and is withheld from the market, how it can "otherwise be disposed of."

Mr. President, there is competition between the dairymen of Wisconsin and the dairymen of Illinois. If there were sufficient political pressure on the part of the people of Illinois to bring into operation the exercise of this power conferred upon the Farm Board, then, of course, the politicians of Illinois could put the dairymen of Wisconsin out of business, and they could do it through an order providing how the surplus milk should be disposed of. I call attention to the fact that milk from Wisconsin shipped to Chicago is interstate commerce, while milk from Illinois to Chicago is intrastate commerce, over which Congress has no control.

Mr. President, the possibilities of this allotment plan, under the provisions to which I have directed my criticisms, are such that any State having a surplus of a commodity could be discriminated against depending entirely upon political pull, if the Federal Reserve Board were subjected to such influences.

I am unwilling to place the great industry of agriculture in the hands of a board appointed by the President, political creatures of an administration or a party, sometimes appointed in order to discharge a political debt. I am unwilling to place in a board so constituted the power to destroy the dairy industry of my State and the agricultural industry of any other State.

Mr. KING. Mr. President, will the Senator yield?

Mr. BLAINE. I yield.

Mr. KING. I should like the Senator's opinion in regard to the operation of Title III of the bill as it deals with other agricultural products. The State of Idaho produces large quantities of alfalfa. The sheepmen of Utah have frequently purchased hay in Idaho to feed their sheep during the winter. Suppose that the Farm Board had the power proposed to be given by this measure should determine that the amount of hay needed for domestic use in the United States for the next year was, say, a million tons. Under the bill the board would be required to ascertain the cost of producing that hay. Of course, it is absurd to say it could, because the conditions vary so. In Arizona,

where they raise four crops of alfalfa, 8 tons or more to the acre, the cost is much less than it is in other parts of the United States; but, waiving that point, suppose the board fix a million tons as the quantity necessary for domestic consumption. A million tons are produced outside of Idaho. Idaho produces a surplus of 100,000 tons of hay which she must dispose of. It can not be disposed of in the State, because of no local needs. The producers of the hay can not ship it to the Pacific coast and across the sea, because the cost is prohibitive. They can not ship it to Canada, because the costs are prohibitive. What could the owners do with this surplus?

Mr. BLAINE. Mr. President, of course, hogs would not eat dry alfalfa.

Mr. KING. Of course not.

Mr. BLAINE. I am not making this suggestion seriously; but the farmers could take the alfalfa and burn it in the furnace.

Mr. KING. Exactly.

Mr. BLAINE. That is about the only place where the surplus could go.

Mr. KING. So that under the provisions of this bill the farmers of Idaho would suffer irreparable loss.

Take my own State: We grow some of the finest fruit in the world. How would it be possible for the board to find out the cost of pears and cherries and peaches, and so forth, the fruits which we grow in abundance and, indeed, of which we have a great surplus? But suppose they do have sufficient wisdom to determine the number of bushels of pears and peaches required for domestic use in the United States during the year, and the people of Utah have produced an enormous surplus, and that surplus exceeds the maximum amount which the board under this power fixes as the domestic consumption for the year. What disposition will be made of this surplus? It can not be sent to England, nor to Canada. The producers of the fruit would not dare to sell it because of the provisions of this bill, if it exceeds the domestic needs as determined by the board, to anybody in the United States. Apparently the fruit would have to be destroyed, as I understand the terms of this bill. Am I right in my interpretation of it?

Mr. BLAINE. The Senator is only partially correct. Let me outline an example.

Take potatoes, for instance—Idaho potatoes. I did not intend to advertise Idaho potatoes especially, because Wisconsin potatoes are—

Mr. KING. A little better? [Laughter.]

Mr. BLAINE. Well, at any rate, quite equal; they are all fine potatoes. The Federal Farm Board investigate the number of bushels of potatoes, the number of hundreds of pounds of potatoes produced, and they find that there are so many thousand pounds of a surplus. We will use, just for example, 500,000 pounds. If we carry out the interpretation of this bill, and the only interpretation we can place upon it, this is what would result:

We will assume that there is no export trade for those potatoes. Therefore, they can not be exported. They are withheld from the market, or they are otherwise disposed of, as directed by the Federal Farm Board. There are two ways of disposing of potatoes. One is to turn them into liquor, moonshine. That might be the most profitable one. Of course the Federal Farm Board would not direct a violation of the Volstead Act, however; so the Federal Farm Board, compatible with the eighteenth amendment, would say, "Now, we will use the other method. We will direct that those surplus potatoes must be turned into starch," and they have the power to do it under this bill. But where will the starch go? There is a surplus of starch; and that is why I am offering the amendment. That is a good illustration of why I am offering the amendment, to take perishable and other farm products that are subject to processing and preserving and lift them out of this bill.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. BLAINE. Yes; I yield.

Mr. BORAH. Is the Senator referring to Title III?

Mr. BLAINE. Yes; the allotment plan.

Mr. BORAH. By the time the Senator gets through with it, there will be nothing left of it. Why not lift Title III out of the bill?

Mr. BLAINE. I am perfectly willing for the senior Senator from North Dakota [Mr. FRAZIER] to leave his wheat in, if he is willing to take that chance with the farmers of North Dakota. I am perfectly willing for the junior Senator from Nebraska [Mr. HOWELL] to leave his sugar in, if he is willing to take chances with the sugar producers of Nebraska. I am perfectly willing for the senior Senator from New Hampshire [Mr. MOSES] to leave his hay in, if he wants to take a chance with the farmers of the State of New Hampshire. So I am accommodating the junior Senator from Nebraska, the senior Senator from North Dakota, and the senior Senator from New Hampshire. In fact, that permits the senior Senator from New Hampshire to join the "sons of the wild jackass." [Laughter.]

Mr. BORAH. Even the company of the Senator from New Hampshire would not assuage my feelings or change my opinion with reference to some of the provisions which have nothing to do with the matter the Senator is discussing. For instance, there is left in the bill the provision that "it shall be unlawful for any licensee to purchase any agricultural products at a price less than the cost of production proclaimed by the Federal Farm Board."

Mr. BLAINE. I am perfectly willing to leave that in. If we can obtain for the farmers, by this provision, the cost of production, the farmers will have made considerable progress in this Congress.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Wisconsin what he has against the "sons of the wild jackass"? [Laughter.]

Mr. BLAINE. As I am included as one of them, I have not anything against them, but inasmuch as the Senator from New Hampshire on yesterday pleaded that his hay be brought within the terms of this bill, I thought the "sons of the wild jackass" ought to invite him into their company. It was purely an act of generosity toward the Senator from New Hampshire, recognizing his complete conversion.

Mr. MOSES. Mr. President, I must remind the Senator that I had a trinity of products—hay, apples, and potatoes.

Mr. BLAINE. I am trying to take the apples and potatoes out from under the bill and leave the hay in.

Mr. MOSES. I am not sure that that is an act of kindness to the Senator from New Hampshire.

Mr. BLAINE. Oh, yes; it is to the farmers of New Hampshire. It may not be to the Senator.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Texas?

Mr. BLAINE. I yield.

Mr. CONNALLY. Is not that our great problem here—to get the article of consumption to the consumer? And if we get the hay to the wild jackasses, will not that solve that part of the problem?

Mr. BLAINE. I thought that was a splendid combination—to leave hay in, so that the Senator from New Hampshire would have a complete conversion, and we might take him into our society.

Mr. BORAH. Mr. President—

Mr. BLAINE. I did not mean to be facetious about this very serious proposition. I yield to the Senator from Idaho.

Mr. BORAH. I was going to say that my great objection to Title III is that if this bill ever should reach the President of the United States, I not only think he would be justified in vetoing it, but I do not see how he could avoid vetoing it. The other two propositions would necessarily fall with it. It is so unquestionably void that I think we would destroy the whole bill. I do not think the President could find an excuse for signing it, and I have no reason to suppose he would be hunting for a reason to sign it.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. I yield.

Mr. KING. Does not the Senator believe, under all the circumstances, that the wiser course to pursue is either to defeat this bill in its present form or to recommit it and let the committee consider it further, in the light of the observations and suggestions which have been made?

Mr. BLAINE. Let me perfect this section, and then we will take up that discussion.

Now, Mr. President, I have pointed out the matter of liquid milk, and so forth, and the perishables, and what would happen; but the same thing would happen to potatoes; the same thing would happen to all fruit; the same thing would happen to all vegetables. It would happen to any farm product that is perishable or that is capable of being processed or preserved, because on page 3 the bill provides:

Fourth. That the durability and conditions of preparation, processing, and preserving and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section.

Which, of course, means that the board may apply this plan to milk, because it can be adapted to processing, as I have pointed out. It can apply it to vegetables, because the larger number of vegetables are the subject of preserving or processing. The same thing is true with respect to fruit. The same thing is true with respect to a great many farm commodities, which are, in the nature of things, perishable and must be disposed of somewhere very shortly after they have been taken from the soil; and many of these farm products are not adapted to exportation. They can be sold only in the neighborhood, or close to the neighborhood, or by rapid transit to distant parts within the United States, which, of course, would not be in the export market or foreign market. So my amendment provides "unless perishable and farm products subject to processing or preserving."

I ask that that amendment be inserted in line 13, page 18, after the word "market," striking out the period.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 18, line 13, after the word "market," it is proposed to insert "unless perishable and farm products subject to processing or preserving."

The PRESIDING OFFICER (Mr. WALCOTT in the chair). The question is on the amendment offered by the Senator from Wisconsin.

Mr. COSTIGAN. Mr. President, there appears to be no minority report on the pending measure. Does the Senator from Wisconsin know whether the committee was unanimous in reporting the bill?

Mr. BLAINE. I understand that there is a report on the bill.

Mr. COSTIGAN. But no minority report?

Mr. BLAINE. I am not advised as to that.

Mr. COSTIGAN. Perhaps the Senator from Oregon will advise us. Is there a minority report on the pending bill?

Mr. McNARY. I must advise the Senator from Colorado that there is no minority report. The report was made by the chairman of the committee.

Mr. COSTIGAN. Was the committee unanimous with respect to the measure?

Mr. McNARY. Not as to the allotment plan.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wisconsin. The amendment was agreed to.

Mr. BLAINE. Now, Mr. President, I renew my other amendment on page 18, lines 11 and 12, striking out the words "as directed by the Federal Farm Board."

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. BLAINE. I will ask the Senator from Arkansas to withhold his proposition until a vote can be taken upon the amendment I have just offered.

Mr. ROBINSON of Arkansas. Very well; I will withhold the matter I was about to present.

Mr. FRAZIER. Mr. President, is the Senator from Wisconsin going to hold the floor and ask to have votes taken

on amendments without giving other Senators a chance to discuss them?

The PRESIDING OFFICER. Any Senator can discuss the amendment.

Mr. BLAINE. The amendment is subject to discussion. I have no desire to prevent discussion of it. I yield the floor.

Mr. FRAZIER. I asked the former occupant of the chair to allow me to discuss the amendment—

The PRESIDING OFFICER. The Senator from Wisconsin yields the floor.

Mr. BLAINE. I yield the floor to the Senator from North Dakota.

Mr. FRAZIER. I have no objection to the Senator holding the floor as long as he wants to, but I do object to his insisting on holding the floor and having amendments agreed to without giving other Senators an opportunity to discuss them.

The PRESIDING OFFICER. The Senator from Wisconsin has yielded the floor.

THE FURLOUGH PLAN

Mr. BRATTON. Mr. President, I hold a table furnished by the National Rural Letter Carriers' Association showing how the furlough plan discriminates against rural carriers. I ask to have it inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table showing how furlough discriminates against rural carriers

Length of route	Salary	Net equipment allowance	Five-eighths deduction	Furlough applied to others	Net loss to rural carriers
16.....	\$1,260.00	\$186.24	\$116.40	\$105.00	\$11.40
18.....	1,440.00	209.52	130.85	120.00	10.85
20.....	1,620.00	232.80	145.50	135.00	10.50
22.....	1,728.00	256.08	160.05	144.00	16.05
24.....	1,800.00	279.36	174.60	150.00	24.60
25.....	1,830.00	291.00	181.87	152.50	29.37
26.....	1,860.00	305.64	189.15	155.00	24.15
27.....	1,890.00	314.28	196.42	157.50	28.92
28.....	1,920.00	325.92	203.70	160.00	43.70
29.....	1,950.00	337.56	210.97	162.50	48.47
30.....	1,980.00	349.20	218.25	165.00	53.25
31.....	2,010.00	360.84	225.52	167.50	58.02
32.....	2,040.00	372.48	232.80	170.00	62.80
33.....	2,070.00	384.12	240.07	172.50	67.57
34.....	2,100.00	395.76	247.35	175.00	72.35
35.....	2,130.00	407.40	254.63	177.50	77.13
36.....	2,160.00	419.04	261.90	180.00	81.90
37.....	2,190.00	430.68	269.18	182.50	86.68
38.....	2,220.00	442.32	276.45	185.00	91.45
39.....	2,250.00	453.96	283.73	187.50	96.23
40.....	2,280.00	465.60	291.00	190.00	101.00
41.....	2,310.00	477.24	298.28	192.50	105.71
42.....	2,340.00	488.88	305.55	195.00	110.55
43.....	2,370.00	500.52	312.83	197.50	115.33
44.....	2,400.00	512.16	320.10	200.00	120.10
45.....	2,430.00	523.80	327.38	202.50	124.88
46.....	2,460.00	535.44	334.65	205.00	129.65
47.....	2,490.00	547.08	341.93	207.50	134.43
48.....	2,520.00	558.72	349.20	210.00	139.20
49.....	2,550.00	570.36	356.48	212.50	143.98
50.....	2,580.00	582.00	363.75	215.00	148.75
51.....	2,610.00	593.64	371.03	217.50	153.53
52.....	2,640.00	605.28	378.30	220.00	158.30
53.....	2,670.00	616.92	385.58	222.50	163.08
54.....	2,700.00	628.56	392.85	225.00	167.85
55.....	2,730.00	640.20	400.13	227.50	172.63
56.....	2,760.00	651.84	407.40	230.00	177.40
57.....	2,790.00	663.48	414.68	232.50	181.18
58.....	2,820.00	675.12	421.95	235.00	185.95
59.....	2,850.00	686.76	429.23	237.50	190.73
60.....	2,880.00	698.40	436.50	240.00	195.50
61.....	2,910.00	710.04	443.78	242.50	200.28
62.....	2,940.00	721.68	451.06	245.00	205.05
63.....	2,970.00	733.32	458.33	247.50	210.83
64.....	3,000.00	744.96	465.60	250.00	215.60
65.....	3,030.00	756.60	472.88	252.50	220.38
66.....	3,060.00	768.24	480.15	255.00	225.15
67.....	3,090.00	779.88	487.43	257.50	229.93
68.....	3,120.00	791.52	494.70	260.00	234.70
69.....	3,150.00	803.16	501.98	262.50	239.48
70.....	3,180.00	814.80	509.25	265.00	244.25

NOTE.—If seven-sixteenths is withheld from the present equipment allowance instead of five-eighths, as proposed, the above discrimination will be relieved.

VIEWS OF PRESIDENT ON REDUCTION OF APPROPRIATIONS

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to call from the table Senate Resolution 235. I have agreed on a revision of the resolution, striking out the first clause of the preamble and other amendments to conform thereto, and I understand there is no objection now to the adoption

of the resolution. So I ask unanimous consent for its present consideration, and I send to the clerk a copy of the resolution as revised.

The PRESIDING OFFICER. Is there objection in granting unanimous consent for the consideration of the resolution?

Mr. COUZENS. Let the resolution be read.

The Chief Clerk read the resolution (S. Res. 235) submitted by Mr. ROBINSON of Arkansas on June 13, 1932, as modified, as follows:

Whereas the President with the assistance of the members of his Cabinet and the heads of the independent offices and commissions is in better position within the short time before Congress adjourns to ascertain in what departments, bureaus, commissions, and independent offices a further reduction of governmental costs can be brought about and how it may be done: Now, therefore, be it

Resolved, That the President is requested to confer with the members of his Cabinet and the heads of all bureaus, commissions, and independent offices upon the best way to bring about said reduction in appropriations, and to submit to Congress for its consideration specific suggestions covering each item that the President recommends as a suitable way and place to accomplish such reduction in the appropriations for the fiscal year beginning July 1, 1932.

Mr. BORAH. Mr. President, may I ask why it is thought necessary to put into the resolution the provision that the President confer with his Cabinet?

Mr. ROBINSON of Arkansas. For the simple reason that heretofore when reductions have been made in appropriation bills, apparently with the approval of the President, Cabinet members are reputed to have come to the Congress and opposed the reductions.

Mr. McKELLAR. Mr. President, I can say that they did come before the Committee on Appropriations and did oppose reductions.

Mr. BORAH. I understand that that is a fact.

Mr. ROBINSON of Arkansas. If the Senator objects to that provision of the resolution, I would not object to eliminating it.

Mr. BORAH. I know that they have come to the Congress as has been stated, and I have no doubt that they will come here in the future.

Mr. ROBINSON of Arkansas. The object of the resolution is to preclude that if practicable.

The PRESIDING OFFICER. The question is on agreeing to the resolution offered by the Senator from Arkansas, as modified.

The resolution as modified was agreed to.

The preamble was agreed to.

DEATH OF REPRESENTATIVE ESLICK

A message from the House of Representatives by Mr. Chaffee, one of its clerks, communicated to the Senate the intelligence of the death of Hon. EDWARD E. ESLICK, late a Representative from the State of Tennessee, and transmitted the resolutions of the House thereon.

Mr. McNARY. Mr. President, it does not seem possible to reach a final vote on the bill this afternoon, as I had hoped earlier in the day. The Senator from North Dakota [Mr. FRAZIER] is willing to yield the floor to the Senator from Tennessee [Mr. McKELLAR] for the purpose of offering a resolution.

Mr. McKELLAR. Mr. President, I ask that the Chair may lay before the Senate the resolutions of the House of Representatives just communicated to the Senate.

The PRESIDING OFFICER (Mr. WALCOTT in the chair). The Chair lays before the Senate resolutions of the House of Representatives, which will be read.

The resolutions (H. Res. 265) were read, as follows:

IN THE HOUSE OF REPRESENTATIVES,
June 14, 1932.

Resolved, That the House has heard with profound sorrow of the death of Hon. EDWARD E. ESLICK, a Representative from the State of Tennessee.

Resolved, That a committee of 18 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect this House do now adjourn.

Mr. McKELLAR. Mr. President, a few moments ago Representative E. E. ESLICK, of Tennessee, fell dead while making a speech in the House of Representatives. He was speaking in behalf of the soldiers' bonus when the tragic end came.

Mr. ESLICK was one of the ablest men in the House, and he was making a very eloquent speech. He had almost reached his peroration when he suddenly fell, and never revived. His devoted wife was sitting in the gallery, listening to the eloquence of her distinguished husband, when he so suddenly passed away.

I am told that it was one of the most tragic scenes that ever occurred in the House. There never was a finer man. He was beloved by all who knew him, especially in his district and in his State, where everyone admired him.

On a future occasion I shall pay tribute to his splendid character and to the invaluable services he has rendered his State. For the present I simply desire to offer resolutions, which I send to the desk and ask to have read, and I ask unanimous consent for their adoption.

The resolutions (S. Res. 236) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. EDWARD E. ESLICK, late a Representative from the State of Tennessee.

Resolved, That a committee of seven Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Presiding Officer appointed as the committee on the part of the Senate the senior Senator from Tennessee [Mr. McKELLAR], the junior Senator from Tennessee [Mr. HULL], the junior Senator from Wyoming [Mr. CAREY], the junior Senator from New Hampshire [Mr. KEYES], the senior Senator from Alabama [Mr. BLACK], the junior Senator from South Dakota [Mr. BULOW], and the senior Senator from Georgia [Mr. GEORGE].

Mr. McKELLAR. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate adjourn until to-morrow at 10 o'clock.

The motion was unanimously agreed to; and (at 2 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, June 15, 1932, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 14, 1932

The House was called to order at 11 o'clock a. m. by the Speaker pro tempore [Mr. RAINEY].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Another night, another day, Gracious Lord, and we are still in the hands of a living God. It is the gladdest truth creation holds. In its deathless worth all strength and virtue lie. In the frailty of our human nature it sustains us in our keenest trials. Our Father, we rejoice that in this universe of change, with its heavenly splendors, with its immeasurable depths, with its unthinkable spaces, one thing is fixed—the love of God. O Eternal Son of God, Thou joy of all loving hearts, Thou light of men, Thou fount of life, we turn to Thee with praise and thanksgiving and ask for a continuance of Thy mercies. Guide us, encourage us, and hold our feet as stable as the Rock of Ages. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 3847) entitled "An act to

amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. METCALF, Mr. WHITE, and Mr. COPELAND to be the conferees on the part of the Senate.

The message also announced that the Vice President had appointed Mr. HALE and Mr. TRAMMELL members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Navy department.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1663. An act to prohibit the sending of unsolicited merchandise through the mails;

S. 3323. An act to provide funds for cooperation with the school district at Nespelem, Wash., in the construction of a public-school building to be available to Indian children of the Colville Indian Reservation;

S. 3879. An act to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims"; and

S. 3950. An act to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4738. An act to incorporate the Disabled American Veterans of the World War.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. CRISP. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CRISP. The House yesterday discharged the Committee on Rules from the consideration of a resolution making it a special order to consider the adjusted service compensation bill. The House then adopted the resolution which makes it to-day in order as a special order to consider that bill. The House having voted in favor of the proponents of the legislation and the Ways and Means Committee having made an adverse report on it, the effect of the vote of the House is to turn down the Ways and Means Committee and place control of that legislation in the hands of its friends. Under these circumstances and under the parliamentary rules and procedure of the House are not the friends of the legislation entitled to have charge of the bill when we go into Committee of the Whole to consider it and to have the management of the measure on the floor?

The SPEAKER pro tempore. The proponents and the friends of the bill will, of course, have charge of it from now on.

WAGES OF LABORERS AND MECHANICS EMPLOYED BY CONTRACTORS AND SUBCONTRACTORS ON PUBLIC BUILDINGS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, with House amendments, insist on the House amendments and agree to the conference asked by the Senate.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I assume the House conferees will insist on the position taken by the House in a very pronounced vote as to the changing rate of wages.

Mr. CONNERY. Yes; and there is one other matter we think we will take out—the Panama Canal item.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none and appoints the following conferees: MESSRS. CONNERY, GREEN, RAMSPECK, WELCH of California, and KOPP.

COMPILATION RELATING TO VETERANS OF VARIOUS WARS

Mr. STEVENSON, from the Committee on Printing, presented the following privileged report (S. Con. Res. 29), which was referred to the House Calendar and ordered printed.

Senate Concurrent Resolution 29

Resolved by the Senate (the House of Representatives concurring). That the letter of the Administrator of Veterans' Affairs, dated May 12, 1932, transmitting, in response to Senate Resolution 412 (71st Cong.), a compilation of all Federal laws relating to the veterans of our various wars, be printed, with illustrations, as a Senate document; and that 15,000 additional copies shall be printed for distribution by the Veterans' Administration, of which there may be furnished, upon written application to the Administrator of Veterans' Affairs, one copy to each post of the Grand Army of the Republic, the American Legion, and the Veterans of Foreign Wars of the United States, to each camp of the United Spanish War Veterans, and to each chapter of the Disabled American Veterans of the World War.

Mr. STEVENSON. Mr. Speaker, I am not asking that the resolution be taken up for passage now. It is a rather important resolution. It is a privileged resolution, and I want it to be printed and go on the calendar. I shall call it up a few days later. I think the Members are entitled to see what is proposed by the resolution.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7726) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, and pending that motion I would like to make this statement.

The members of the Ways and Means Committee who are favorable to this legislation will have charge of the proponents' side, and I ask the Speaker to recognize the gentleman from Arkansas [Mr. RAGON] instead of myself in the allotting of time.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. RAGON] will be recognized for that purpose.

The Chair desires to again admonish the galleries that under the rules of the House expressions of approval or disapproval from the galleries are not permitted, and this rule will be strictly enforced to-day.

The gentleman from Texas moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7726, the adjusted service certificate bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7726, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. CRISP. Mr. Speaker, may I yield one-half of my time to the gentleman from Oregon [Mr. HAWLEY], which will be one hour? Of course, I will have to ask him to take care of Members on that side of the House who are opposed to the bill.

Mr. FISH. Reserving the right to object, I would like to ask the gentleman from Georgia if the Republican side could not have a little more time, as there are more Members on that side opposed to the bill?

Mr. CRISP. I realize that what the gentleman says is true, but I can not agree to give more than one-half of my time. If, later on, I find it is possible, I shall be glad to do so, but I can make no promises now.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAGON. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. Vinson].

Mr. VINSON of Kentucky. Mr. Chairman and members of the committee, I appreciate deeply being honored with permission to open debate upon this very vital proposal.

The sponsors of this legislation take the position that the adjusted-service certificates should be paid in full at this time only if it can be done advantageously to the United States and to the betterment of the economic status of the country.

Our friends in opposition continually refer to what will happen if this bill were to become law. They paint a picture of havoc and near chaos. I would remind them that we are now submerged in the worst money panic that our Nation has ever witnessed. I would remind them that we have already arrived at the brink of ruin. We have reached this point without any urge from this legislation. Since December last I have supported every measure advanced for the relief of our country except the moratorium. We were told that unless the moratorium was passed chaos in Europe would reign, which would likewise destroy this country. We were told that the Reconstruction Finance Corporation bill, the Glass-Steagall bill, several other bills upon banking and currency, the revenue bill, and many other measures were needed to restore the confidence of a people—to restore this country to prosperity. Many of these measures have been helpful. But they are superficial palliative treatment of the patient without getting to the roots of the disease. This measure, in my judgment, goes at the basic conditions underlying our weakened economic structure.

No one will deny that the dollar to-day is a high dollar. Economists rate it as worth \$2 as compared to the 1919 dollar and about \$1.60 as compared to the dollar in 1926. Back home, values are such that leading business men think of it now as a 2-dollar dollar. At the other end of the pendulum we have price commodities at the lowest level in our history. Undoubtedly, before there can be substantial permanent relief to our country the differential between the dollar and the commodity values must narrow.

None of the measures we have considered, in my judgment, reach out as effectively in that direction as does the measure we have under consideration. The opponents say that there will be an inflation of values. The adverse report states this as one of the objections to the measure. Frankly, I think this is what we need. As a matter of fact, the main opposition to the bill comes from those who would not have the high value of the dollar affected. I believe that these gentlemen are standing in their own light. As a matter of fact, I am convinced that this economic condition which pushes our backs to the wall was brought about deliberately by an attempt to manipulate the values of securities with the expectation of making untold millions. The squeeze came in 1929. Values of securities declined; calls were made for loans; securities were thrown upon the markets in unprecedented amounts and the situation got out of hand. The worst financial debacle the world has ever seen occurred. Billions in values were dissipated overnight. The wheel of the financial engine traveled as fast in reverse as it had traveled forward in the prosperous years. Finally it jumped off center. We have been placing a "chock under the wheel," we have been giving it superficial treatment, but as yet the wheels have not started in a forward direction. It is hoped by the sponsors of this measure that it will do that thing.

Our position certainly takes high ground when it is predicated upon benefits to our country, rather than immediate benefits to a particular class to the detriment of that nation which the favored class served so well. There is a wide difference of opinion as to the measure. I realize that the country generally has received an inaccurate picture of it and its purpose. In discussing the matter with Members of Congress, I am struck with the honest misunderstanding that many have of it. It is not putting it strongly when I say there are not a great number of people who have given much study of the money question. To most of us it was a mystery, and to many, even of this body, it remains a mystery. As a matter of fact, there is no mys-

tery in it. But there are those who would have it remain a mystery. They would enshroud the gold dollar with the cloak of divinity and declare to be heretics all those who would not worship at its shrine. They would have the country believe that the currency of this country is backed by gold and that money not so protected is "fiat" money. Thus it is in this fight, even our colleagues on the Ways and Means Committee resorted to the argument that sponsors of this measure sought to put the printing press to work. We have some \$1,800,000,000 of currency behind which there is not a single dollar of gold.

Sponsors of this bill in the committee sought to amend H. R. 7726 by striking out section 2 therein and inserting in lieu thereof language putting into legislative effect the Owen plan, which related to the currency to be issued hereunder. Eleven members of the committee of 25 supported that amendment, with 14 in opposition thereto. When the bill comes up for reading this motion will be made in the House and the sponsors of the measure will insist upon this amendment. At this point I will read the amendment which will be offered:

SEC. 2. Payment of the face value of the adjusted-service certificates under section 509 or 510 of the World War adjusted compensation act, as amended, shall be paid in Treasury notes.

The Secretary of the Treasury is hereby authorized and directed to issue United States notes to the extent required to make the payments herein authorized. Such notes shall be legal tender for public and private debts and printed in the same size, of the same denominations, and of the same form as Treasury notes, omitting the reference to any Federal reserve bank.

He shall place such notes in the Federal reserve banks, subject to the order of the Administrator of Veterans' Affairs, to be used for the purposes of this act.

He shall issue a like amount of United States bonds bearing 3½ per cent interest payable semiannually, with coupons attached, and such bonds shall be due and payable in 20 years from the date of issue, subject to the right of redemption after 10 years.

These bonds shall be deposited in the Federal reserve banks, as the agents of the United States, in approximate proportion to their current assets at the date of the passage of this act, and the Federal Reserve Board, by resolution in writing, may direct the sale to the public of such portions of said bonds as it may from time to time desire.

Such currency received for such bonds shall be exchanged for the notes hereby authorized to be issued and they shall be returned to the Secretary of the Treasury for cancellation.

It should be stated that no one has testified that the original Owen plan, or the plan heretofore referred to, or the plan of Senator THOMAS does not present sound money mechanics. It may be that section 2 of the Patman bill providing for the direct issue of Treasury notes without a reserve in the form of Government bonds, or without the use of bonds being placed in the hands of the Federal Reserve Board to be used for the purpose of contraction of the currency if the expansion thereof became undue, might have had just criticism, but leading economists testify that the controlled-currency idea advanced by ex-Senator Owen and by Senator THOMAS is sound mechanically.

I quote from the hearing a part of the testimony of Prof. Irving Fisher.

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Mr. RAGON. Now, if I understand the Patman bill correctly, there is no provision made at all for any redemption of any of this currency. That looks to me, as a layman, like an uncontrolled expansion of our currency. Now, under the Owen plan, if I understand that, he has a method there of controlling that expansion, or, you might say, contracting that expansion. As I gather from your remarks, there are two dangers, deflation and inflation, and it may become necessary to contract or to deflate the currency.

Mr. FISHER. Yes; that is true.

Mr. RAGON. Under the Patman plan I see no machinery at all for contracting, but in the Owen plan I do see that.

Mr. FISHER. Yes; because it is redeemable.

Mr. RAGON. Therefore you would call any issue of currency under the Owen plan, would you, a controlled expansion, or would that expansion be controllable?

Mr. FISHER. It would be controllable; yes. I do not think that is quite what Secretary Mills meant.

Again, at page 666 of the hearings:

Mr. VINSON. As I understood you, you say that the Owen plan or the Thomas plan is perfectly sound in money mechanics?

Mr. FISHER. Yes.

Also I read from the testimony of former Senator Robert L. Owen, dealing with the integrity and soundness of the

proposed currency to be issued under the amended bill, with his remarks relative to the parity of money as a result of what is known as the gold standard act of March 14, 1900:

Mr. OWEN. Mr. Chairman and gentlemen of the Committee on Ways and Means, when I had the honor to appear before you previously, I had no sufficient opportunity to answer a question propounded by my good friend, Mr. RAINEY, who was evidently under the impression that the money proposed to be issued for the payment of the soldier's compensation would not have behind it an adequate gold redemption fund. I want to call the attention of the committee to the act of Congress passed on the 14th of March, 1900, known as the gold standard act. . . . I ask permission to put in the record the first and second sections of that act, because it shows that the Secretary of the Treasury is authorized by that act to use the credit powers of the United States to maintain at parity all forms of money issued by the United States.

The sections referred to are as follows (hearings, pt. 14, pp. 784-785):

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dollar consisting of 25.8 grains of gold nine-tenths fine, as established by section 3511 of the Revised Statutes of the United States, shall be the standard unit of value and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

SEC. 2. That United States notes, and Treasury notes issued under the act of July 14, 1890, when presented to the Treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this act, and in order to secure the prompt and certain redemption of such notes as herein provided it shall be the duty of the Secretary of the Treasury to set apart in the Treasury a reserve fund of \$150,000,000 in gold coin and bullion, which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to use said notes so redeemed to restore and maintain such reserve fund in the manner following, to wit: First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury; second, by accepting deposits of gold coin at the Treasury or at any subtreasury in exchange for the United States notes so redeemed; third, by procuring gold coin by the use of said notes, in accordance with the provisions of section 3700 of the Revised Statutes of the United States. If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below \$100,000,000, then it shall be his duty to restore the same to the maximum sum of \$150,000,000 by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of \$50 or any multiple thereof, bearing interest at the rate of not exceeding 3 per cent per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of \$150,000,000.

Mr. OWEN. Every citizen, no matter how humble he be, ought to know that the parity of the money issued by the United States has been faithfully preserved from that time to this, and even copper money can be converted into gold at the option of the citizen.

These notes, therefore, have behind them not only whatever is available in this country in the form of gold, but they have behind them the powers of the people of the United States through their Government to use its full credit to keep at parity any money which this Congress shall authorize.

I do not need to waste time on that question.

To show you concretely that we do have money without gold reserve, I call up this fact: On March 31, 1932, our total outstanding currency was \$5,459,085,385. Our total gold reserve held by the Treasury and the Federal reserve bank was \$3,594,694,087. In other words, the currency outstanding in excess of the total gold reserve was \$1,864,391,298. To be specific, national-bank notes of which on that date we had almost \$700,000,000, has no gold reserve. This currency

is backed by Government bonds bearing the circulating privilege and approximately \$30,000,000 in lawful money. No, Mr. HOPKINS; not gold, but lawful money. The value of the silver dollar in April of this year was 28 cents. We had some \$500,000,000 in silver certificates with silver dollars in like number as reserve. The actual value of the reserve was \$140,000,000. That means that \$360,000,000 of those silver certificates had the same backing that the national-bank notes had—that is, the credit of the Nation. Federal reserve notes require a minimum of 40 per cent reserve in gold and, prior to the Glass-Steagall bill, 60 per cent in commercial paper. On March 31, 1932, there were \$2,545,943,397 of such currency. The gold reserve behind these notes on that date was only \$290,230,623 less than the total Federal reserve notes in circulation. Yet a little more than \$1,000,000,000 in gold was required as the legal gold reserve for such Federal reserve notes.

Not many days ago, in the consideration of a bill from the Banking and Currency Committee, we were told that the Secretary of the Treasury, Mr. Mills, had approved an amendment to the banking act placing the debentures, bonds, and obligations of the intermediate-credit banks upon a parity with commercial paper and Government bonds for the purpose of the issuance of Federal reserve notes. The House passed such a bill. It is more than passing strange to me that the Treasury would approve secondary obligations of this character as a reserve for currency and then object to the issue of currency backed by direct obligations of the Government itself.

We are told that we have \$5,400,000,000 outstanding currency. Of this amount two and one-half billions is in circulation. We make this statement upon the authority of Doctor Goldenweiser, director of research and statistics of the Federal Reserve Board, who testified before the committee as follows:

DOCTOR GOLDENWEISER. I have some figures here that will interest you. It shows that of the five and a half billion dollars of currency outstanding, there is about \$750,000,000 in the banks, and about \$1,250,000,000 probably still in hoards accumulated in the past 18 months and about \$500,000,000 also in hoards but not created in this panic; just ordinary hoards, people having a little nest egg tucked away. There are about three hundred millions that are abroad, of which one hundred millions are in Cuba and two hundred millions in other countries, and about \$100,000,000 has been destroyed. So that the total amount of money that does not do any actual business is \$2,900,000,000 and the active money is about \$2,500,000,000.

With \$2,200,000,000 of new currency issued, the amount of currency in circulation would still be \$700,000,000 shy of the actual amount of currency now outstanding.

It is thought by some that the money would find its way into the banks, and hoarding would result. It is easy to criticize the banks and their slowness in extending credit. But you must remember that the banks are trustees of the deposits of that institution. The property values have depreciated, securities have declined to almost the vanishing point. The Federal reserve bank has not been particularly lenient, and for these and many other reasons banks are slow to extend credit. But with this flow of new currency into their vaults they would have added money, and their natural instinct would be to liberate money for the purpose of earning money for the institution. In this wise the velocity of money would be accelerated. The turnover is one of the essential needs for this country's return to prosperity. Without money and without an opportunity to obtain credit the business man is unable to operate his business. That means that the laborer is out of employment; that means that the farmer has no market for his commodities; that means that his purchasing power has lowered almost to the vanishing point, which, in turn, means that the product of the mill and the factory used by him is not forthcoming. It is an endless chain. We believe that once the wheel is started toward progress its speed will be accelerated, the purchasing power of our people will be magnified, the differential between the dollar and the commodity prices will be narrowed, and normal conditions will at last prevail.

Our friends in the Treasury and on the Federal Reserve Board state that they have been granting credits to the

banking institutions in stupendous sums. That such credits have been made we do not question, but let us examine the method of this expansion of credit and compare it with the expansion of both credit and currency that will come from the enactment of this law.

The Glass-Steagall bill became law February 27, 1932. Since that date the Federal Reserve Board has purchased Government securities totaling \$1,259,976,550. This brings the purchases up to June 9. Between February 27 and this latter date the Federal reserve banks have sold securities in the sum of \$172,502,300. This makes the amount of bonds purchased in excess of that sold between these dates the sum of \$1,087,474,250.

The operation is as follows: The Federal reserve bank purchases the United States bonds from the member banks. They pay for it by charging off the indebtedness of the member bank to it and by crediting said member bank's account with it for the remainder; or, if the member bank does not owe the Federal reserve bank, they simply credit their account with it for the purchase price. The books of the member bank are not changed except that its debt to the Federal reserve bank is marked off, but its assets are reduced by the amount of Government bonds so sold. Certainly, it eases up the member bank. They probably are relieved from the fear of a call from the Federal reserve bank to the extent of the value of the bonds at least, and some benefits obtain. But the facts certainly convince that this method, buying bonds—the open-market operation—has not been effective in permitting the banks to extend credit to business men throughout the country. The facts, undoubtedly, show that this vast operation, practically \$1,100,000,000 in credits—one-half of the amount involved in this adjusted-service certificate proposal—has not started the wheels turning in advancing direction.

On the other hand, when this currency is distributed by the payment of the adjusted-service certificate, the most evenly distributing method that could possibly have been provided, the new currency paying the obligations of American citizens, many times over, finally finds its way to the banks in every community, in every State of the Union. This money is an added resource. Undoubtedly the last creditor to whom it is paid, the gentleman or the business concerns who deposit it in the bank will have use for it in the payment of their obligations and ad infinitum. It is our contention that the expansion of currency includes expansion of credit.

My friends, the fact that the gold reserve of this country will support expansion of the currency admits of no argument. The mere statement of the amount of gold used as the reserve of the Federal reserve notes shows beyond contravention that an expansion of currency can be had. But we do not have to reach that conclusion with our mental efforts alone. We will read from the Federal Reserve Bulletin of March, 1932, which is an authoritative statement in support of our views, which statement was indorsed unequivocally by representatives of the Federal Reserve Board before our committee. The quotation reads:

Under the terms of the Federal reserve act the Federal reserve banks must maintain a 35 per cent reserve in gold or lawful money against their deposit liabilities and a reserve of 40 per cent in gold against their notes. On February 24, for instance, the reserves of the Federal reserve banks were \$3,140,000,000; Federal reserve notes in actual circulation were \$2,643,000,000 and deposits \$1,973,000,000. The 35 per cent reserve against deposits would be \$691,000,000 which would absorb all of the \$202,000,000 of reserves other than gold and in addition \$489,000,000 of gold, and the 40 per cent reserve against Federal reserve notes would be \$1,057,000,000, so that the total reserve requirements would be \$1,392,000,000. This figure represents the total amount of gold on which the Federal reserve system could base additional credit. On the basis of these excess reserves, the Federal reserve banks could issue \$3,500,000,000 of credit, if the demand were for currency, and \$4,000,000,000 if it were for deposits at the reserve banks. There is nothing in the new legislation that in any way changes these maximum amounts. It does, however, have an important bearing on the manner in which the extension of credit can be accomplished under the law.

It has been argued that the issue of these Treasury notes would drive other currency out of circulation. Doctor Goldenweiser, on page 748, refutes that argument decisively.

There is another argument that is thrown into the faces of those sponsoring this measure, and that is that it would unbalance the Budget. What Budget? Do you gentlemen refer to the 1931, 1932, or 1933 Budget? This bill was not enacted at the time when the 1931 Budget lacked \$903,000,000 of being balanced on July 1, 1931. This bill is not now law at a time when the Budget for 1932 will fail by \$3,000,000,000 of being balanced. Some say that it will unbalance the 1933 Budget. My friends, it does not touch the Budget for the year 1931, 1932, or 1933. The idea of unbalancing the Budget for the coming fiscal year, 1933, is nothing more nor less, in my opinion, than a smoke screen to prevent the American people from knowing that the Budgets for 1931 and 1932 lacked practically \$4,000,000,000 of being balanced. In my opinion, the cry to "balance the Budget for the next fiscal year" is the affirmative action to exclude from view the fact that for the fiscal year next past, and the present fiscal year ending July 1, the administration of Mr. Hoover has failed to keep the faith of the American people—has failed to keep the Budget balanced. It is not the fear of the knowing business man that the Budget of 1933 may or may not be balanced that has impaired or destroyed his confidence in Government. In my judgment, it is the fact that this governmental business of 1931 and 1932 has been so managed as that their ends would not meet that has caused financial despair. But, this bonus legislation does not affect any budget of this country, top, side, or bottom. There is not one single penny to be taken from the Treasury of the United States under this measure; there is not one single penny of additional taxes to be levied to liquidate the obligations of the Federal Government already incurred—to change the nonnegotiable form of that obligation to the form of a negotiable obligation.

The adjusted-service certificates certainly are obligations of the Federal Government. Some say they are not yet due. To that I do not subscribe. The theory upon which the adjusted-service certificates were issued was, as their name implies, an adjustment of the service pay of the veterans of the World War. It was said that this adjustment should be an added dollar per day for domestic service and \$1.25 per day for foreign service. This is what is known as a service credit. To it is added the sum of 25 per cent for the deferring of the payment until 1945. Undoubtedly, the theory of this adjusted-service certificate was the adjustment of the pay for services rendered. To what date did it relate—when the services were rendered, or some seven or eight years afterwards? Assume that there was a difference of opinion as to a contract between two individuals for services rendered. Litigation results, and the added pay is secured by judgment. Would not the judgment bear interest, at least from the time when the services ceased? Bring this rule into application in this case. Is not it fair to compute interest upon that sum, which evidences the adjustment in the pay of the soldier, from November 11, 1918, when the noise of battle ceased? Is not it more fair to begin then than to start the interest payment on January 1, 1925, six years thereafter? My friends, we have untold precedents wherein our Government pays interest upon indebtedness adjudged against it, dating back to the time when the obligation is created. One example is the tax refund. Uncle Sam collects more money than the taxpayer owes. The taxpayer is deprived of the use of that money and goes to the bureau, possibly the Board of Tax Appeals, and finally the refund is ordered. That money bears interest from the date of the payment by the taxpayer. Truly, billions of dollars have been refunded. Upon these billions, without question, the interest is computed from the date of the payment—the date when the adjustment should have been properly made.

So, considering the adjusted-service certificates, that which it is, an adjustment pay, it is fair to compute interest upon it from November 11, 1918; and when you do it, compounding it annually, as the Government is now compounding interest annually against the World War veterans on its loans to him, you will see that the face value of the adjusted-service certificates is due to-day. I say this

upon the authority of figures submitted by the Veterans' Bureau.

Mr. PARSONS. Will the gentleman yield?

Mr. VINSON of Kentucky. I regret that the time allotted me will not permit me to yield.

But some say that the contract has been executed; that the rights of the Government and the soldiers were concluded with the adjusted compensation act of 1924. Let us see about this phase of the question. It is evident that it takes two people to make a contract. There must be a meeting of the minds. There must be agreement. The legislation of 1924 authorizing the issue of adjusted-service certificates was a one-sided bargain. The Government was the one speaking—the soldiery of the country never indorsed nor agreed to the contract before it was made nor afterwards. The bonus bill was brought to the floor of Congress under the rule that prohibited any amendment being offered from the floor. In consequence of which I say the matter is not concluded. In matters legislative dozens of times during a session of Congress do we see amendments to existing contracts and existing laws.

For illustration: This Nation loaned billions of dollars to its allies both before and after the armistice was signed. The nations at the time of receiving the loans executed agreement to pay. Some six or seven years thereafter the Congress of the United States went behind this obligation to pay, provided a debt commission, and a new debt agreement was reached. Thereby many billions of dollars were forgiven these foreign nations. My friends, the money forgiven was money procured from the American people, evidenced either by taxation or Government bonds sold to the people. The American Government approved the act of the Debt Commission and made a new contract with the foreign nations.

Again in 1919, or maybe in the early days of 1920, the transportation act came along, and in one section of it there was written what is commonly known as the "recapture clause," whereby moneys in excess of a reasonable yield were to be paid into a reserve fund of the carriers and to the Interstate Commerce Commission as a general railroad contingent fund. To-day there is more than \$360,000,000 accumulated. All the railroads in the Nation affected are clamoring for the repeal of the recapture clause, and thereby return this sum of \$360,000,000 to their treasury. It could well be said in connection with such legislation that the contract had been made and the matter concluded. But you and I know that laws are amended almost daily while Congress is in session, meeting changed conditions and doing that which the Congress deems to be right and proper. So, in this connection, there is nothing unusual about reopening the case or reforming the contract.

CONCLUSION

I have endeavored to develop my argument for this legislation upon the plane first indicated, and that was that we feel that this legislation is meritorious and highly advantageous to our Nation. It has been hard for us to refrain from answering criticisms hurled at World War veterans and Members of Congress sponsoring this legislation. Suffice for us to say that such critics, even Members of this body, when you impugn the motive of any Member espousing this cause, it may be that "They know not what they do." Any time in this body property rights will have valiant support. It is articulate with all the power that money and influence can put in motion. The metropolitan press heeds their importunities. When human rights become involved, then immediately the vested interests strike out, hitting in every direction all those who stand in their way.

Personally, in 1924, when the adjusted compensation bill was being considered, I voiced my desires for a payment in cash. I supported the measure that became law. In a former Congress, 1922, the minority members of the Ways and Means Committee strongly characterized the bill as a—

Due bill, rain check, borrowed money bonus mode of payment—an insult to every World War veteran, and shameful discredit to Congress and the Nation.

That report carried the information that the administration had paid more than \$3,000,000,000 to war contractors,

had given and loaned \$2,000,000,000 to railroads, and millions to feed the hungry of Europe. There is never any argument about how to get money or where to get it when the direct interest of the big interests is involved. The Hamiltonian theory is to make successful those on top of the heap and some of their profits will percolate to the masses of the people.

Twenty-six billion dollars war expense, then \$3,000,000,000 to war profiteers and \$2,000,000,000 to the railroads immediately after the war, billions of dollars to European nations by way of war-debt reductions, and all the hundreds of millions recently paid out for other purposes certainly inclines me to the idea that this Nation could pay the adjusted-service certificates. Undoubtedly there is no reason why we could not adopt the method of refinancing herein suggested when these obligations now outstanding are due in major part, if not in whole—particularly when the refinancing is without cost of an added dime to the Treasury of the United States.

I trust that I have not been unduly exercised in the treatment of this matter. While I may refrain from fully expressing my attitude toward the human equation involved, I can not, in my mind and heart, forget the boys of yesterday who were the proud defenders of our flag. We have heard talked about the payment of \$6,000,000,000 for their injuries and illnesses. As an economic proposition, how many billions of dollars has this country taken from them in their physical and mental inability to pursue their hopes and their ambitions?

In the majority report they go so far as to charge the soldier with \$2 a day for his keep, endeavoring to bring his wage to the average for 1918. Every soldier who served in that man's army knows that by the time the insurance, the allotment, and a few proper credits were subtracted from the pay of the private the sum total of his monthly salary approached nothing. They did not serve for monetary reward. Patriotic fire stirred their breasts; love of country imbued them with a world-admired zeal. Nothing would be too good for them when they returned, they were told. America would ever be grateful. Now in a matter concerning which they are much interested their names would be defamed, their motives attacked. Before you attack them in this forum, boys, remember who they are—lest you forget; lest you forget! [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. CRISP. Mr. Chairman, will the Chair notify me when I have used 10 minutes, please?

Mr. Chairman, I am sure this House will agree with me that I am never intolerant of those who differ with me. I accord to each of them sincerity of purpose. As far as I am concerned, in the discharge of my public duty I must follow the dictates of my conscience and my judgment as to what is best for my country, for in this emergency I have placed the welfare of country above every other consideration. [Applause.]

I can not vote for this legislation because I believe it will work injury upon the country that we all love. In 1925, when this legislation was enacted, I signed a minority report urging that the \$1 and \$1.25 per day extra compensation be paid them in cash, because the country at that time could have financed it and could have paid it, and I felt then that if that was taken as a basis for issuing paid-up insurance policies due in 1945 the very conditions that confront us to-day would obtain. It would have been the part of wisdom to have paid in full at that time.

These adjusted-service certificates are not due until 1945. The contract between the Government and the veterans is to the effect that whatever extra compensation was due them on that basis would be used as a lump sum to purchase an insurance certificate due in 1945, just as they could have taken a like amount of money and purchased a paid-up insurance certificate from a private company. My friends, to-day there are hundreds and thousands of American citizens who have bought and paid for insurance policies in private companies, now paid up, who would be delighted to have them cashed to-day for the full amount of the certifi-

cate, but they can not get them paid because it is not in accordance with the contract.

I do not believe, with the economic condition of this country, the financial condition of the Treasury, with burdensome taxes laid upon the backs of the American people, that these certificates can now be paid when they are not due until 1945. If they are paid to-day the practical effect of it will be that the United States is paying our brave veterans in advance, and giving them two billion two hundred million more than was intended by Congress when the law was passed. I have the highest respect for our ex-service men. I have the kindest feelings for them, and I have supported, up to date, all remedial legislation for their benefit, and have handled many of their claims, just as other Congressmen have, and have tried to assist them in their claims for compensation, hospitalization, and so forth. I believe it is the duty of the Government to care for its disabled soldiers and their dependents; but, in my judgment, the United States is measuring up fully to this responsibility. The appropriations for them for the next fiscal year will total a little over \$1,000,000,000, or, in fact, 25 cents out of each dollar spent by the Federal Government goes to care for its ex-service men. The United States to-day appropriates yearly more for its disabled heroes and their dependents than Great Britain, France, Italy, Belgium, and Germany combined. The last Congress passed a bill authorizing our ex-service men to borrow as much as 50 per cent of the face value of their adjusted-service certificates. Practically three-fourths of them have availed themselves of this privilege. Those who have borrowed 50 per cent on a 4 per cent discount basis on the face value of their certificates have been paid practically in full the dollar or dollar and a quarter a day extra compensation allowed them in the act of 1925—the basis for their paid-up adjusted-service certificates. I repeat—in my judgment, the Federal Government can not pay the remainder of these certificates in full to-day without irreparable injury to the people of the United States.

The proponents of this measure say the Government can pay it by issuing Treasury certificates and not add additional taxes. I myself believe that a fallacy. I am neither an economist nor a financier but must just use my common sense and my judgment in the discharge of my official duty. If I believed the Government could issue \$2,400,000,000 of money and keep it at par throughout the world, I never would have voted to levy \$1,118,000,000 additional taxes upon the American people. [Applause.] If that could have been done, why did we not issue Treasury certificates and pay the deficit? Yea, why not go further and issue four or five billion more and retire that much of the public debt and stop interest, and save the American taxpayers that much interest money? [Applause.]

My friends, I myself do not believe the Government of the United States can have any good money and maintain its financial integrity and the stability of its credit except by revenues collected from the people in the way of taxes. Under these conditions I can not and I will not vote for this legislation, because I do not believe it just to the masses of the American people who will have to pay the bill.

I am conscious, of course, that I can not change a single vote in this House. I also know that this bill will pass the House. What its fate will be in the Senate I know not, but I do know that if it reaches the President he will veto it [applause] and that it can not be passed over a veto.

I will not consume any more of the time. I desire to give it to other friends who are asking for it.

In conclusion let me say, just as those brave ex-service men were willing to sacrifice their lives, if need be, for country in time of war, in this time of great distress, of suffering by the masses of the people, greater than they underwent during the war, it will be but a small sacrifice for me to lay down my political life, if necessary, to serve my country. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, the World War veterans, or at least some of them, and I hope a small part, are under a

double misapprehension. Many of the bonus marchers have come to Washington honestly believing that they are owed money by the Government of the United States. Furthermore, there are many veterans who believe that the Congress voted to give \$2,000,000,000 to the big interests in America, to the banks, to the railroads, and to the insurance companies through the Reconstruction Finance Corporation.

In the first place, as was stated yesterday, the Government owes nothing to any able-bodied veteran in this country on his adjusted-service certificate until 1945.

In the second place, Congress, only a year or so ago, voted very properly to loan the veterans 50 per cent of the face value of their own policies in order to afford relief and help the World War veterans in their economic difficulties, and I urge that before Congress adjourns that the interest rates on these loans be reduced to 3 per cent.

As far as the Reconstruction Finance Corporation is concerned—and I hope the reporters for the press will get this—the Government is not giving away any money to the big interests. We established the Reconstruction Finance Corporation and empowered it to make loans and extend credit on good security, to railroads and to banks, but a very large percentage of the loans are going to maintain the solvency of the small banks throughout the country. The Reconstruction Finance Corporation authorities informed me this morning that 70 per cent of their loans went to small banks in cities with populations under 5,000. It went there to do what? To save the credit of the grocer, the butcher, the baker, the dairyman, and the farmer. It did not go to Morgan or Rockefeller or Wall Street or to the big interests, but to the people in need of loans in the smaller cities of America. That was the purpose of the bill, and that is how the bill is being carried out by a nonpartisan board in the interest of the American people. But for some reason many of the veterans are under the impression, probably due to vicious propaganda, that we are giving away money to the big interests, instead of requiring adequate security on all loans. The people back home are the ones that benefit most through the saving of small-town banks from financial disaster. The big banks very generally are solvent, liquid, and have plenty of money, but the smaller financial institutions need long-term credits in this national emergency.

Mr. PARSONS. Will the gentleman yield?

Mr. FISH. I am sorry, I can not yield. I wish I had time in my five minutes to answer the able speech of Mr. Vinson, the gentleman from Kentucky. Why haggle for months upon months about reducing expenditures, cutting down the salaries of Government employees and balancing the Budget if the principle the gentleman upholds is good?

Why not issue by aid of our printing presses one billion, five billions, or ten billions of dollars to pay off all our debts, to pay for our national defense, to balance the Budget, to provide for public works and unemployment relief? The same principle holds. What is sauce for the goose is sauce for the gander.

I admit if we owe the veterans anything, it ought to be paid, not, however, through printing-press methods. We have always found ways and means to pay any just debt, and we are still able to do so. But we do not owe them anything, and therefore we should not call upon the Government to start the printing presses at this time to make fiat money and give away \$2,000,000,000 to any particular group of citizens when we owe money right and left and are not able even to balance our own Budget in this financial and economic crisis. [Applause.] I want to make it abundantly clear that the American Legion, the largest and most important organization of World War veterans, is not in sympathy, directly or indirectly, with the demands that are being made for the full cash payment of the adjusted-service certificates in this national emergency. The following resolution adopted by the last national convention of the American Legion, held at Detroit last fall, speaks for itself in no uncertain terms:

Whereas the unqualified, generous, and unstinted relief of our disabled comrades has always been, and ever will be, the task to which the American Legion is chiefly dedicated, and is the surest path for "service to God and country"; and

Whereas the American Legion, having never demanded gratuity for the able, but now, as always, unrelenting and determined in its solicitations for succor by a grateful Government for those disabled in its service, protests any proposed economy at their expense; but

Whereas millions of men and billions of dollars and of property can not be destroyed except the survivors be called upon for sacrifice and self-denial to make good the laws which has visited "service-connected disability" upon all mankind; and

Whereas the Nation to-day faces an economic and financial crisis which calls for sound, unselfish, and patriotic action upon the part of all America: Now, therefore, be it

Resolved, That the American Legion, in full possession of its limitless faith in the destiny of the Nation we fought to preserve, calls upon the able-bodied men of America, rich and poor, veteran, civilian, and statesmen, to refrain from placing unnecessary financial burdens upon National, State, or municipal governments and to unite their efforts as they all did in 1917 to the end that the war against depression be victoriously concluded, prosperity and happiness restored.

Mr. RAGON. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, I do not think I ever gave more intensive study and more thought to any proposition that has ever been presented to this House since I have been a Member of Congress than I have to this particular legislation. It is a matter that has troubled me as I know it has troubled every Member of this House regardless of what position he may take with reference to this legislation.

This bill is being discussed now, and was discussed yesterday by its opponents, from wrong premises. The bill neither requires the appropriation of one penny out of the Treasury of the United States, nor does it add one single additional obligation to the Government. [Applause.] If it did, then as one who has stood before this House during this entire session urging economy, I could not vote for it, because I do not think our Treasury is in a position to assume an obligation of this kind.

Mr. Chairman, I have been of the opinion for months and months, and have so expressed myself, that we are never going to have a return of anything like prosperity until something is done to bring down the value of gold so that commodities in the hands of producers may bring a fair and reasonable price to those who produce them. [Applause.] It is necessary, therefore, since all of the circulating medium, or at least a great portion of it is now in the vaults of the big banks of this country, to have more money, and I want to call attention to the fact that this was recognized by the President and was recognized by Congress when it passed at the President's instance and request and as one of his relief measures the Glass-Steagall bill. That bill provides that five or more banks may pool their securities and present them or United States bonds and secure currency thereon for their use. Where would that additional currency go? It would go where a great deal of the other currency now is. How many of the people of the country would secure any benefit from it? You have the same sort of security here, because even though these certificates may be small, they are as much a bond and an obligation of the Government as the bonds upon which it is proposed to secure additional currency under the Glass-Steagall bill, for which doubtless most of you voted.

Under this provision there follows, necessarily, the fact that when this additional currency is issued—and, mind you, it is to take up an existing obligation, not a new one—it will be widely and equally distributed throughout the United States; money goes in every city, in every town, in every hamlet, and in every community of this entire country. The people and not the banks become its beneficiaries. [Applause.]

The more I have studied this proposition the more positive I have become in my opinion that there has been no bill proposed here which will more surely serve to bring about that happy result—and, to my mind, that necessary result—the lowering of the value of gold and providing an increased value of commodities. [Applause.]

The House again recognized the need for additional currency when it passed the Goldsborough bill the other day, which would have the effect of directing Federal reserve banks to issue currency upon United States bonds for the purpose of bringing the value of the dollar down to what it

was in 1926. The Senate Banking and Currency Committee also recognized this need for additional currency when the other day it unanimously indorsed the Glass amendment to this bill providing for an issue of currency based on United States bonds to the extent of one billion or more dollars. I repeat, the currency which would be issued under all these bills would be turned over in the first instance to the banks of the country. These soldiers hold the bonds of the Government, which are just as sacred as the bonds held by the banks. Why not therefore issue this currency to them and thus bring about its distribution among the people? The support given the bills referred to, which are primarily framed in the interest of banks, makes the objections urged to this bill untenable and ridiculous. Before we adjourn let us pass some legislation in the interest of the entire people and at the same time render relief and do justice to the veterans who fought in defense of their country.

Mr. Chairman, as a further expression of my views on this subject and under the leave granted me to extend my remarks, I wish to append herewith a statement which I recently issued for publication in my district stating my views upon this bill:

Would you vote to pay to the veterans at this time the balance due upon their adjusted-compensation certificates if you were satisfied that this would not entail any additional cost to the Government now or hereafter?

I think you would, especially if you were assured that it would actually save the Government \$112,000,000 every year between now and 1945 and at the same time be a forward step toward the restoration of prosperity among all classes of our citizenship. If you will carefully read this statement I think you will agree that this would result.

Laying aside the fact that this is a debt which the Nation owes to the veterans and without regard to our feeling of gratitude for their service and sacrifice, I am going to present this matter from the standpoint of the benefit which will accrue to the entire citizenship as well as to the veterans themselves. There is a mistaken impression that it is proposed to pay this bonus out of revenues secured by taxation or by the issuance of additional bonds, and this understanding has caused most of the opposition to this measure.

I could possibly have saved myself from some public criticism had I announced my conclusions earlier. I have no sort of resentment against those who have so expressed themselves. I have always adhered to the policy of declining to declare myself for or against any particular measure until I know just what I will be called to vote upon. Bills are frequently changed in committee, and the progress of this bill is an illustration of that fact. A first draft and then a second draft of the bill was introduced and it is now proposed to substitute a third draft, which was really prepared by Senator Robert Owen, who was one of the authors of the Federal reserve act, chairman of the Banking and Currency Committee of the Senate when he was a Member of that body, and recognized then and now as one of the most thorough students of finance in the entire country.

I did not sign the petition for the discharge of the Committee on Rules from the consideration of the so-called Patman bonus bill. I have always consistently declined to sign such petitions on any and all subjects for a number of reasons. The House is now called upon, however, to vote upon the question of discharge, and, after as thorough study as I have ever given to any question since I have been in Congress, I have come to the conclusion that it is my duty to vote to discharge the committee and to pass the bill. The bills which have heretofore been passed have been in the nature of preventive as well as temporary relief measures. This bill will not only give relief to those who served the country in time of need but it will at the same time hold out to every class of our citizenship hope for the future.

I voted against the bonus when it was first passed. I said then, when there was a large surplus each year in the Treasury, that since it was being proposed as adjusted compensation to the veterans for past services it should be paid in cash rather than by a certificate due 20 years hence. Under the terms of this bill, the Government will pay an existing indebtedness by the issuance of Treasury notes. It is apparent, of course, that this money when issued will be widely distributed and give quick relief to every city, town, hamlet, and community in the country rather than merely to those who are able to borrow from banks, heretofore the first beneficiaries of additional currency. It is said by some that it will be quickly dissipated. The record of the last payment does not show this, but if this be true the fact remains that the merchants, and others with whom the veterans deal, will share in this benefit.

If there is no need for additional currency, why did Congress at the earnest request of the President, recently pass the Glass-Steagall bill? That bill authorizes five or more banks to pool their securities and deposit them in Federal reserve banks as security for Federal reserve bank notes. And why did the Senate Banking and Currency Committee a few days ago unanimously recommend the Glass amendment authorizing additional currency to be issued upon United States bonds, limited only by the

amount of bonds outstanding and the amount of capital stock of the institutions, and which, it is said, will amount to \$1,000,000,000? All of this new currency would be issued to the banks to be loaned to their customers, provided they possess the necessary collateral. Many of the veterans can not borrow from the banks. That is particularly true of the disabled and the vast number of unemployed. But they hold the obligation of the Government; small it is true, but just as much a bond as those for larger amounts. If, therefore, it is sound finance to issue additional currency to the banks upon such security, why does it become unsound finance when it is proposed to issue currency direct to the veterans upon acknowledged obligations of the Government, and which will be backed not only by the credit of the United States but with 40 per cent of gold reserve behind it, which is the maximum required by the law?

I do not subscribe, therefore, to the theory of those who oppose payment of these certificates. This is not creating a new Government obligation, but merely converting an existing Government obligation, and will not result in hurtful inflation. On the contrary, it will increase currency expansion and circulation equally in all parts of the United States, bring a halt to the deflation, and a quick rise in prices of all kinds. The gold dollar has increased so much in value that everything one possesses was worth from two to twenty times more four years ago than it is now. Debts were created which are now two to four times greater by reason of this increase in the value of gold. Five-cent cotton, 50-cent wheat, 30-cent corn and tobacco, and other commodities selling in proportion can not pay these debts and taxes and bring prosperity. It is like requiring the debtor to pay 400 bales of cotton where he owes 100 bales, 40,000 bushels of wheat for 10,000 bushels, 400 hoghead of tobacco instead of 100 borrowed.

But to meet the criticism of possible inflation the Owen bill provides for the issuance of United States 3½ per cent bonds to an amount which will equal the Treasury notes issued and which will be placed in the various Federal reserve banks to be held as agent or custodian of the Government. These bonds will draw no interest unless the purchasing power of the dollar shall fall below its average value in 1926. The Federal Reserve Board in such event will have the right to dispose of a sufficient number of these bonds and thus contract the currency to a point where the dollar will be worth what it was in that year, when everybody was prosperous.

I submit, therefore, that the possibility of undue inflation by the issuance of this additional currency can not possibly arise under the provisions of this bill. The Federal Reserve Board is vested with the authority and the power in advance to see that this does not occur.

I have heard from some who say they would have no objection if the bill was confined to disabled and needy unemployed veterans. But since the Government has entered into this obligation with all the veterans, why should this plan not be followed by the Government to pay its debts and at the same time afford the additional currency which is needed to bring down the value of the dollar. No one has ever questioned the patriotism of these ex-service men. I, for one, do not believe that those who do not actually need the money will cash their certificates.

These are some of the reasons which have induced me to determine to support the bill providing for the immediate payment of these certificates.

I have not suddenly become aroused in the interest of the veterans for the purpose of securing their support—presuming on a service which was rendered far from the battlefield. I have been his active friend all along. Thousands of them over the district and the State will attest to this fact. I have never felt that the country wanted to economize at the expense of the disabled soldier or his dependent widow and children. I have devoted more of my time to veterans and their individual problems than I have to any other requests which have been brought to my attention. This has also been true of my entire office force, and it has been our genuine pleasure as well as our duty to do so. I have never turned down or neglected a single case, and whenever possible I have taken it personally to the bureau rather than by correspondence, and have endeavored to render real service rather than mere lip service.

Questions of this kind should not be settled as a matter of sentiment. But let me tell of a visit which I made a few days ago to one of the camps of the veterans who have unwisely come to Washington for the purpose of securing payment of their certificates. There are said to be 10,000 in Washington to-day—and more of them are on the way. It was a foolish trip and one which should not have been undertaken; but they are here. My visit was in the early hours of the morning, and I saw grim, gaunt men—some of them with distinguished-service crosses upon their shirts—eating their breakfast. These veterans had slept all night in a river-bottom field without shelter. I saw them dipping into a large tin can, placing what appeared to be thin gruel upon tin or broken plates, from which they ate without spoon or fork. I asked some of these boys why they had come to Washington on a trip of this kind when it was evident to everyone that it would do no good. Their reply was that they had no jobs at home and they were as well off here in Washington as anywhere else. Many of them told me that they had served in France, and one of them, reaching into his trousers pocket, drew therefrom a soiled and crumpled certificate issued within the last two years and said, "This is all I have in the world, and surely my Government which I served during the war will pay it to me now when I so badly need it in order to provide myself with necessary food and clothing."

I looked at these men—disheveled, gaunt, and hungry—and my mind went back to those day of nineteen seventeen and eighteen,

when these same men as healthy, ruddy-cheeked young boys answered the call of their country. I could see them again as they marched under the colors to the music of bands and the applause of grateful citizens, admiring friends, and neighbors on their way to war. I recalled their ready response and their willingness to sacrifice their lives, if need be, in defense of this Nation. I felt that surely no one who could see these men as I saw them would feel otherwise than that this Government should extend its helping hand to them and pay to them—many of them disabled and all of them needy and unemployed—the sum which it promised to pay them in 1925.

True, the certificates are not due until 1945, but the Government frequently issues new certificates to take up obligations not yet due. And it will cost the Government nothing additional in this instance. On the contrary, it will by so doing actually save \$112,000,000 every year until 1945, for that sum is put each year in our National Budget to create a sinking fund to take up these certificates when they fall due in 1945.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. WOODRUFF]. [Applause.]

Mr. WOODRUFF. Mr. Chairman, I believe every Member of this House knows that I saw service during the World War. I have in my possession an adjusted-service certificate in the amount of more than \$1,300 as a result of that service. I am a veteran of the Spanish-American War. I preface my remarks by this statement with the hope that every Member present, every ex-service man in the gallery, and everyone within the sound of my voice will recognize the fact that I am a friend of the ex-service man. [Applause.] I have voted for every proposition that has been before this House since I have been a Member of it that has in any way contributed to the welfare and the benefit of the ex-service men and their dependents. I made no exception to that rule when I voted yesterday not to take this bill from the Committee on Rules.

I think there has been nothing proposed either by the ex-service men or their friends that will do so much to injure the ex-service men and their dependents as the enactment of the bill that is before the House to-day. [Applause.] There are from eight to ten millions unemployed in this country. Not more than 1,000,000 of these are World War veterans. The man who stands here and argues that these veterans only should be selected for help from among all these other needy is, in my judgment, doing not only an injustice to the great army of unemployed but an injury to the ex-service men themselves. If there was some way by which only the ex-service man, desperately in need of funds, could be given some further relief than that he already has, and if this bill provided for that exclusively, there might be some excuse for its being before the House. However, that can not be done and every Member of the House knows it can not be done.

We have just passed a bill that will tax the people an additional \$1,200,000,000. We are cutting the Government expense to the point where some necessary governmental activities will be seriously crippled. We do all this to put our country upon a pay-as-you-go basis. We do it to restore the confidence of our people in their Government. We do it to give the greatest possible encouragement for an early recovery of business, that jobs may be had by all. Jobs are needed and must be had if we are going to have a return to prosperity; jobs not alone for the ex-service man but jobs for everybody. This can not be brought about by thrusting still further burdens on the shoulders of the taxpayers of this country. Every Member ought to know that if we pass this bill and it should become a law there will be an ever-growing demand that benefits now given the veterans and their dependents be repealed. Already more than 26 per cent of all Federal revenues are expended for their benefit. This is testimonial to the patriotism and gratitude of a generous people.

The burden upon the taxpayers is already great. Many are beginning to complain because veterans whose disabilities are in no way connected with their service are being pensioned by the Government. Demands are already being made upon Congress to confine these gratuities to those who are suffering because of their service.

In this House within the past few weeks we passed the Rankin bill to pension to widows and dependent children of veterans who died from causes not connected with their service. That bill has not been enacted into law. In my

judgment the present demand for the bonus has delayed and will further delay its enactment, notwithstanding the distressful conditions under which thousands of these widows and children are now compelled to live. The ex-service men of the country should agree that help for the needy widows and children should be their first concern; that nothing shall be done to jeopardize this.

Their next concern should be the welfare of their disabled comrades. Under laws passed by Congress and now upon the statute books these are all receiving their monthly checks from the Treasury of the United States. Nothing should be done that will result in taking from the needy disabled men the help they are now receiving.

The attempt to pass this bill at this time is a great mistake. Even the proponents of the bill know it can not and will not become the law. Notwithstanding this, encouragement has been given the veterans which has resulted in the so-called bonus march. Thousands are encamped here under conditions which endanger not only their own lives but the lives of the people living in this community as well. An epidemic is imminent. Already the available beds in the hospitals of the city are filled. Temporary hospitals are being provided. It may easily become a tragedy.

These men have been led to believe that their adjusted certificates constitute a promise to pay now due. Every Member of this House knows this is not true. Every man of us knows the due date is just 20 years from the day the certificate is issued. It is under a misunderstanding that these veterans are congregating here, and this misunderstanding is due to the preaching of those who know better.

Mr. BYRNS, the great economy leader of this House and chairman of the Appropriations Committee, has just made a most astounding statement. He says this will not be a charge upon the people of the United States and will not be a charge upon the Treasury. For the life of me I can not understand how there can be created something from nothing. Money is supposed to, and does, represent some value. If we are going to create money with which to pay the veterans by starting the printing presses, why do we not do the same thing for all the expenses of Government? Why tax the people for anything? Why not pay all the government expense in the same way? Of course it is ridiculous to argue that we can create money by starting the printing presses to pay the bonus and can not create money to pay the expenses of government by the same method. [Applause.]

In 1920 the national debt was in round numbers \$26,000,000,000. During the 10 prosperous years following we were able to pay all the running expenses of the Government and to also reduce the national debt by \$10,000,000,000. In 1929 came the depression and with it such a reduction of corporation and individual incomes that income tax and other receipts fell to a point where we could not meet the expenses of Government without increasing the national indebtedness. The national debt on May 31, this year, was \$19,036,916,000, an increase of approximately three billions over the low of 1930. We are faced with a deficit of more than two billions this year. As I have stated before, we are now taking the steps to balance the Budget and get on a pay-as-you-go basis. To do this it has been necessary to spread \$1,200,000,000 taxes on an already overburdened people. In the face of all this, it must be apparent that we can not pay the bonus without either still further taxing our people or still further increasing the national debt. Oh, I know there are those who argue that the issuance of fiat money through working the printing presses overtime does not constitute a charge against either the people or the Treasury, but I want to remind you that each certificate so issued is, and will so state on its face, a promise to pay. To be paid by whom? Why, by the people, of course.

Mr. Chairman, this country, along with the other countries of the world, has been passing through most trying times during the past three years. Approximately 5,000 banks have failed, entailing tremendous losses to depositors and others everywhere throughout the land. Business is at a standstill; there is unemployment everywhere; the people are already taxed almost more than they can bear. To pass

this bill is to add immeasurably to those tax burdens and to so further disturb our financial and business structures as to seriously retard, if not actually delay, a return to normal conditions, with its reemployment and rising prices, for months and perhaps years to come. [Applause.]

Mr. CRISP. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman, try as I might to bring myself to a favorable decision upon this bill, I have been unable to do so. [Applause.] I do feel this measure should be disposed of one way or the other to-day, and for that reason I voted yesterday to discharge the Committee on Rules from the further consideration of the rule. Thousands of veterans are in Washington awaiting our decision, and we should have the courage to meet the vote that has been forced upon us. The veterans have been misled, and they will resent it in the end.

My record in supporting veterans' legislation and assisting them is perfect. By that I mean that I have consistently supported legislation affecting the man who suffered from disabilities, and I have also favored legislation that would provide for the widows and orphans of the veterans who have passed away. It has always been the policy of our Government to take care of those who responded to the call when needed, and, in my opinion, that policy will always be adhered to. My office resembles a branch office of the Veterans' Bureau. Thousands of claims have been called to my attention by veterans and their friends, and it has been my pleasure to help them to receive recognition, provided they were entitled to benefits under the law. I shall continue as I have in the past to serve them at every opportunity.

I was the first Member of Congress to introduce a bill to provide for the payment of a part of the adjusted-service certificates. At that time there was nearly \$1,000,000,000 in the Treasury of the United States to the credit of the adjusted-service certificate fund.

The then Secretary of the Treasury, Mr. Mellon, opposed my bill, but in the end a law was passed and the veterans were able to borrow one-half of the face value of their certificates.

Mr. Chairman, the pending bill is not sound. It provides for the printing of currency or Treasury notes, which means the same, because the notes shall be full legal tender, non interest bearing, exempt from all taxes, including Federal, State, and subdivisions thereof. There are no provisions to raise this money by taxation or in any other way—the bill simply provides to print money until a sufficient amount is available to pay the adjusted-service certificates, and this will mean a total of not less than \$2,400,000,000.

The committee considering this bill states that to-day we have outstanding \$5,400,000,000. To-day we have silver, gold, and Government securities back of every dollar of our currency, and the world knows our money is secured by silver, gold, and Government securities. The contention of the financial experts of the Government, including the members of the Ways and Means Committee, who signed this report, is the issue of the \$2,400,000,000 would amount to an immediate inflation in our currency of almost 45 per cent.

I can not vote for a bill which might in the end jeopardize the value of the currency of this country. [Applause.] If we followed the policy that is proposed in this legislation and printed money whenever there was a demand for it with nothing behind it, it would not be long before it would take a handful of dollar bills to buy a package of cigarettes. [Applause.]

The European nations that resorted to such methods found such a system disastrous. As I understand the situation every dollar of the \$5,400,000,000 in currency now in circulation would be reduced in value almost one-half. Why, the dollar that the veterans would receive under the provisions of this bill would be worth only 50 or 60 cents. It is too dangerous a precedent. When the veterans learn what would really happen under this bill there will not be one man in ten who would even consider such a measure.

I have introduced a bill to pay the bonus in full, but there is something back of my bill. It has been adversely reported

by this committee, the same committee that reported adversely on the Patman bill. My bill provides for the issuance of bonds, but it specifically provided in my bill that the money to retire the bonds shall be raised by taxation, and the tax I propose would not only help the veterans but would help the entire country, and there would be no objection from the people of this country; that is, the people who would pay the tax. My bill will not in any way affect the value of the dollar, because the money to retire the bonds, the money to pay the interest, is to be raised by taxation.

My proposed plan provides for a tax upon beer. The money raised in this way to be used solely to retire the bonds which are issued to pay off the adjusted-service certificates. [Applause.]

It is my purpose to offer my bill as a substitute for the pending bill. Again I say my bill is sound, because it provides a way to retire the bonds. The Patman bill has no method whatever for retiring the money that it seeks to print.

I hope, Mr. Chairman, the membership of the House will get a copy of my bill (H. R. 11117) and study the measure. It will meet the situation. It will not only help the veterans by paying the adjusted-service certificates in full in dollars worth 100 cents, but it will provide work for the veterans. What the veteran needs to-day more than money is a job, and if we could provide a job for him he would not be asking for money. [Applause.] The veteran wants work so he can support his family; and if he had work, he would not be asking you to pay the certificates now.

Mr. Chairman, at no time since I have been a Member of this House have I thought of my political future in voting upon proposed legislation, and I do not propose to think of my political future to-day. [Applause.]

[Here the gavel fell.]

Mr. RAGON. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. HILL].

Mr. HILL of Washington. Mr. Chairman, the misconception that obtains with reference to this proposed legislation is really very regrettable. This misconception is abroad throughout the country.

The misconception goes to the proposition, first, that the veterans are here to intimidate the Members of Congress to vote for this legislation; and, second, that it is a graft and a steal, or a raid upon the Treasury, and that it will not only unbalance the Budget but will require the levy of additional taxes in the amount of money to be paid out under this legislation.

I want to give it as my personal opinion that the veterans have not intimidated a single Member of the Congress; in fact, I believe they have hurt rather than helped their cause by coming here in large numbers.

The only semblance of intimidation that has come to me is that which has come from the business men and the citizens of my district who do not understand the purport or the purpose of this bill and have been misled into believing that it is a raid upon the Treasury.

Such is not the case. It should be made plain at the outset that the sponsors of this legislation have taken the position that the adjusted-service certificates should be paid in full at this time only if it can be done advantageously to the United States and to the betterment of the economic status of the country. The proposition of such payment does not call for a single dollar of appropriation out of the Treasury or for the levying of additional taxes, and in no way affects the Federal Budget. Succinctly stated, the plan of payment is to deliver to the soldier a circulating obligation of the Government—Treasury notes—in exchange for the noncirculating obligation of the Government—the adjusted-service certificates.

If you would consider this measure from the standpoint of the welfare of the people of the country at large you would be getting down to the real issue presented by this legislation. Those of us who are supporting this legislation are supporting it upon a broader basis than merely relief to the ex-service men. We recognize the fact that they themselves are entitled to relief, yet if this legislation could not be jus-

tified upon a broader basis than that, we do not feel we would be justified in coming here in support of it.

It would require about \$2,400,000,000 of Treasury notes to pay these certificates in full. The payment of these certificates in this way would place more than \$2,000,000,000 of actual money in circulation and the money would be distributed to every nook and corner of the country and would immediately enter the channels of trade. It would not be piled up in the banks to be added to the moneys already hoarded therein. The ex-service men constitute about 3 per cent of the entire population of the country and they are distributed throughout the country in about that percentage. It has been charged that this bill proposes to issue fiat or printing-press money without anything back of it to maintain its parity. I want to say to you that the man who says that this is a bill to start the printing presses to work on a blank piece of paper does not understand the bill. These Treasury notes would be real money, worth 100 cents on the dollar. The gold reserve in this country is about four and one-half billion dollars. This gold does not circulate but is held in the vaults of the Treasury and the Federal reserve system purely as a reserve basis for currency issues. There is outstanding \$5,400,000,000 of money of all kinds outside of gold, including silver coins, silver certificates, national-bank notes, Federal reserve notes, and United States Treasury notes. The national-bank notes and the silver certificates have no gold reserve whatever back of them. The legal gold reserve for Federal reserve notes is 40 per cent. Taking that percentage of reserve as the basis, there is sufficient gold reserve to back the issuance of \$10,000,000,000 in currency.

The gold standard act of March 14, 1900, makes it the duty of the Secretary of the Treasury to maintain all moneys issued or coined by the United States at a parity with the value of the gold dollar.

It is evident, therefore, that the necessary volume of Treasury notes to pay the adjusted-service certificates in full would have the strong backing of more than 40 per cent gold reserve and the authority of the gold standard act for maintaining such currency on a parity with the gold standard unit of value. Former Senator Robert L. Owen, of Oklahoma, the author of the Federal reserve act, said with reference to the bonus bill that the issuance of United States Treasury notes for payment of the bonus would be supported by the full powers of the United States Government and by all the gold available in this country. Hence the Treasury notes so issued would not be fiat money. It would be gold-standard money, and the payment of such certificates thus made would not increase the tax burden, would not call for any appropriation out of the Treasury of moneys collected from taxes, and would not in any way disturb the Federal Budget.

With this statement as a basis, I wish to direct your attention to the purely economic aspects of the bill. In doing so, I ask you to lay aside your prejudice and just look at it from the standpoint of the economic interest of the country generally. The bonus bill was not considered by the Committee on Ways and Means and by the witnesses who appeared at the hearings thereon merely as a matter of relief to the ex-service men, but 90 per cent of the evidence at the hearings had to do with the broader aspects of the bill, namely, the opportunity afforded for giving needed expansion to actual circulating money to be distributed throughout every community of the country.

I ask you, therefore, to consider the bonus legislation in that light. It is a universally recognized fact that this country can not get back to prosperity until farm-commodity prices are raised to their normal level. It is also recognized that farm-commodity prices are governed by the supply of circulating money and the supply of credit which circulates as money. When money and credit are scarce farm-commodity prices are low. When money and credit are plentiful farm-commodity prices are high. The purchasing power in the people is measured by the price they receive for their commodities. When there is no purchasing power in the great mass of the people all business enterprises are paralyzed. I am sure that you will recognize

the fact that there is practically no circulating credit at this time and also that the volume of circulating money has so decreased that it is impossible to find sufficient money for the transaction of the ordinary business of commerce. With \$40,000,000,000 of circulating credit wiped out of existence and more than half of the outstanding money hoarded, it is readily apparent what is the matter with commerce. Economists and business men all agree that a restoration of farm-commodity prices to a normal level is absolutely necessary to the return of prosperity and they agree also that the only way in which to bring about this restoration of commodity prices is to increase the volume of circulating money and of circulating credit.

Dr. E. A. Goldenweiser, director of research and statistics of the Federal Reserve Board, testified before the Ways and Means Committee on the question of the volume of outstanding money and the proportion thereof that is actually circulating as follows:

I have some figures here that will interest you. They show that of the five and a half billion dollars of currency outstanding, there is about \$750,000,000 in the banks, and about \$1,250,000,000 probably still in hoards accumulated in the past 18 months, and about \$500,000,000 also in hoards but not created in this panic; just ordinary hoards, people having a little nest egg tucked away. There are about three hundred millions that are abroad, of which one hundred millions are in Cuba and two hundred millions in other countries, and about \$100,000,000 has been destroyed. So that the total amount of money that does not do any actual business is \$2,900,000,000 and the active money is about \$2,500,000,000.

Irving Fisher, professor of economics, Yale University, said before the Ways and Means Committee:

I know you are a committee, not on banking and currency but on ways and means; but the ways and means of balancing the Budget are, first, to reflate. You can not tax a vacuum. You have got to have something to tax. You have got to restore prosperity. You have got to increase the income of the people. And all of these things that I have described, by which, through deflation, you have bankruptcies and unemployment and depression of trade, and all the rest, are reversed the instant you have reflation.

Professor Fisher said before the Committee on Banking and Currency of the House:

I heard one of the leading bankers—I wish I had permission to quote him, but I do not want to do anything I am not authorized to do—the president of one of the largest banks in one of our largest cities, and the chairman of one of the most important committees of the American Bankers' Association, say that we must raise the price level to let people pay their debts and that if we do not he fears that the whole capitalistic system is going to collapse. He was willing to raise the price level by changing the weight of the dollar.

Professor Fisher further said:

We need first to raise the price level to enable debtors to pay their creditors on as just a basis to both as practicable, and, secondly, thereafter to stabilize the price level. The raising of the price level must be done either (a) by increasing the circulating medium or (b) by increasing its activity or velocity, which means, in particular, reducing hoarding. The circulating medium may be increased in many ways, the United States may issue new United States notes in purchase of United States bonds or in purchase of silver or anything else or paying its employees.

Our economic troubles are curable if we have the courage to apply a heroic remedy. Nothing but money will banish a panic. Money is the muddsill of credit and the foundation of confidence.

Doctors Pearson and Warren, of Cornell University, say:

Economic troubles are not acts of Providence any more than polluting a stream with typhoid is an act of Providence. Both are acts of man, and can be remedied when there is sufficient knowledge.

Dr. Wilfred I. King, of New York University, says:

Prices are determined by the standard of value. The standard of value is purely a man-made institution. The result is we can do anything we wish with the price level.

Prof. Irving Fisher, of Yale University, says:

It should be clear that deflation or dollar swelling is not an act of God with a special mandate to baffle the human race. We do not have to wait for a happy accident to neutralize deflation. It may be neutralized by design. Man has control of his own currency, if he will but use it.

It is agreed on all hands that we must have reflation of farm-commodity prices before prosperity can return. The

question is how are we going to bring this about. According to Doctor Goldenweiser we have only \$2,500,000,000 of money circulating. The fact is we do not have more than \$15 per capita in actual circulation. This bonus money would increase the per capita circulation 125 per cent and farm prices proportionately. This proposed legislation provides a convenient opportunity to the Government to discharge an obligation which will place in circulation more than two billions of dollars of actual money and retire the adjusted-service certificate obligations in an equal amount. In other words, this bonus legislation provides a convenient vehicle for conveying into the arteries of commerce a necessary flow of new money to stimulate trade and commercial activity and start the country on the upgrade toward normal economic conditions. This is the only measure which this Congress has considered that will jar the wheel of industry off of its dead center and start it to turning.

The big moneyed powers are opposing this bill not in the interest of the great body of the people but in their own selfish interest. The big banking interests are opposed to the issuance of money by the United States Government. They want to retain the exclusive privilege of issuing currency. For this reason the big moneyed powers have issued the edict that this bill must be killed. They have, through false propaganda, deliberately deceived the country as to the purpose and effect of this bill. They are money merchants.

The higher the value of the dollar the more secure they are in the control of the economic life of the country. I heard the testimony of their representatives before the Ways and Means Committee. They themselves offer no remedy for existing conditions. They say in effect, "Let the people sweat it out." It is time the people realize that no legislative progress favorable to them has ever been accomplished in America without the sneers and opposition of Wall Street. The Wall Street bankers want to keep a tight grip of control on the volume of the currency of the country, and they are afraid of losing that control if currency expansion is not left wholly to them.

The deceptive propaganda broadcast against this proposed legislation has caused many people to express opposition to this bill in perfect good faith but in absolute ignorance of what it means to them and to the economic condition of the country generally. I know this bill and what it means. I know who are opposing it and why. I am supporting this measure because of my firm faith in the beneficial results which will flow from it in restoring prosperity to our distressed land. In all sincerity, I could not do otherwise.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Chairman, during the discussion of the demand for the payment of these certificates, the claim has been repeatedly made that the Government owes this money to the veterans now. I do not intend to discuss that now, except to say that it can not be sustained.

Running all through this discussion is the charge that the United States has not dealt fairly with its veterans of the World War.

On Monday of last week the senior Senator from Virginia [Mr. GLASS] inserted in the CONGRESSIONAL RECORD a compilation of figures showing that the United States now pays annually to the World War veterans a total of more than that paid to the veterans of Germany, France, Great Britain, Italy, and Canada combined.

Taking that set of figures as a basis, I asked the Veterans' Administration to compile the table I now have here on the blackboard. I call your attention to these two columns at this end of the board.

We are now paying annually to the veterans of the World War \$180.91 per capita, based on the total mobilized forces during the war period. Compare that with the figures, and you find that Germany pays \$22.98; France pays \$34.09; Great Britain, \$26.49; Italy, \$12.44; and Canada, \$98.64.

Now, take the other figures, and we are annually paying \$2,668.66 per capita, based on the number of those killed and wounded during the war. Of course, they alone are not the beneficiaries of those payments. Germany pays \$48.87;

France, \$50.99; Great Britain, \$58.27; Italy, \$43.74; and Canada, \$263.41. Those figures are based upon our battle casualties.

Canada is the highest, and it pays only 10 per cent per capita of what is paid by the United States.

Total per capita payments to veterans of all nations since the war are now available. Based on the total men mobilized, the United States has paid her veterans of the World War \$1,107.14, while Canada has paid over \$1,533.16. But based on the number of men dead and wounded, the United States has paid over \$16,331.79 per capita since the war, as against Canada's payment of \$4,094.03. The United States figures used here and in the table do not include any part of the loans on the adjusted-compensation certificates.

These figures ought to give this Congress and the country serious thought as to whether or not the World War veterans have not been well cared for, and whether or not they have not been well treated.

Demagogues on the floor of this House and elsewhere have repeatedly told the veteran he is not being well treated, that the Government owes him money, and that he should have it. Here are the figures, authenticated, based on facts, that our Government now is doing more for its veterans than all of the nations named in that list combined. [Applause.] Gentlemen, when you go back to your veterans and to your taxpayers, take these figures with you. Tell them the facts of the loyalty, the generosity, and the fairness of your Government and mine toward the veteran. Then, again, may I say to my comrades among the veterans, as I did briefly yesterday, that this table ought to tell the veterans themselves to stop in their demands on the Treasury. When the taxpayers of the country find out the sums that Congress has paid and the amount that is being incessantly and constantly demanded by minority groups within the veterans, and by those nonveterans who curry political favor from veterans, the situation may develop in this country again that developed following the Revolutionary and the Civil Wars, when the Nation demanded and secured a purging of the pension rolls.

At the present time 852,000 veterans or their dependents are receiving monthly checks from the Government. Only the able-bodied veteran is not. Deny this bill and you ask the able-bodied veteran to remain on a parity with the 120,000,000 nonveteran citizenship of this country. Pass it and you single out for special benefits the able-bodied veteran from among our whole people.

Gentlemen, study those figures before you vote. [Applause.]

The table used in this statement follows:

Comparative statement of annual expenditures for fiscal year 1932 by United States and foreign countries for World War veterans and their dependents

	Men mobilized	Dead and wounded	This year's relief bill	Annual per capita based on men mobilized	Annual per capita based on dead and wounded
United States.....	4,757,240	322,497	\$860,635,000	\$180.91	\$2,668.06
Germany.....	13,000,000	6,111,862	298,690,000	22.98	48.87
France.....	8,410,000	5,623,000	286,722,000	34.09	50.99
Great Britain.....	6,600,000	3,000,000	174,802,060	26.49	58.27
Italy.....	5,615,000	1,597,000	60,853,300	12.44	43.74
Canada.....	619,636	232,045	61,123,000	98.64	263.41
Total for foreign countries.....	34,244,636	16,563,907	\$91,190,360	26.02	53.80

¹ That portion of Veterans' Administration appropriations made applicable to World War veterans for fiscal year 1932.

Mr. COX. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. We are called on to-day to vote for H. R. 7726, to provide for the immediate payment to the veterans of the face value of their adjusted-service certificates. It has been estimated that this would cost the Government about \$2,400,000,000. This is more than half the cost of run-

ning the Government in 1932-33. And by this bill the Secretary is authorized to have engraved and printed a sufficient amount of Treasury notes with full legal tender. In other words, the printing presses are to be started and are to print these Treasury bills with which to pay the soldiers their so-called bonus.

I understand an amendment will be offered to the bill to provide for the issuance of Government bonds to back up this so-called "flat" currency or "bonus" bill.

Mr. Chairman, to my mind, voting for this bill is like trying to cure a cancer with a plaster. We are told such a measure would give us the required amount of inflation of currency to rescue us from the depression. I believe that within four weeks, if the bill should become a law, the effect of this hypodermic of currency inflation will have exhausted itself and the body politic will lapse back into a far worse condition than it is in to-day, and the bill would dig deeper the abyss of depression in which we now find ourselves.

There would be a flush of spending of bonus money. But once the money is spent the effect will have gone and we all shall then be poorer for the experience.

There will be no lasting results, except the misery and the suffering that currency inflation and fiat money always bring.

I would be glad to pay this bonus immediately if the Government had the money and if it could be done without affecting disastrously the economic status of the country, if it could be accomplished without fiat money. But economists, experts, and Government officials who appeared before the Ways and Means Committee testified that the issuance of this fiat money to pay the soldiers would bring greater economic disaster upon the country and plunge many more people into suffering and privation.

We are told that this bill would aid unemployment. I fail to see how it would. We are told it would aid the veterans unemployed. But of the total army of unemployed only 13 per cent are veterans. Would it not be highly unfair to discriminate against the other 87 per cent of the unemployed who are nonveterans? Would they not be entitled to consideration? What about the small storekeeper, the butcher, the grocer, the plumber, the carpenter, the druggist, the lawyer, the doctor, and the housewife, who were not soldiers and who would not participate in the bonus. They would, however, have to pay their share of the bonus by taxes now or in years to come.

The bonus will cost \$2,400,000,000. It would be given to the rich as well as the poor, the sick as well as the healthy, the employed soldier and the unemployed soldier. Every veteran must be treated alike. You can not give to one and withhold from another. Yet only 30 per cent of the veterans are unemployed. Therefore, here you would be giving 70 per cent of \$2,400,000,000, or \$1,680,000,000, to veterans who do not need the money since they have jobs. Nobody can defend his vote for the bonus on this basis.

It is argued that we should pay the face value of these certificates, because the holder needs the money. I have shown that only 30 per cent of the veterans are idle. Certainly, we can not justify a demand for the payment of the money to anybody just because the money is needed by a single class of the population.

If this payment would give relief generally to all the needy veterans and nonveterans, I would vote for it at every sacrifice.

By passing this bill, we discriminate between the veteran needy and the nonveteran needy. Rather let us adopt a policy of Federal relief for all those who are in want, without discrimination. If there is to be a dole, let us give it to the poor and unemployed of all classes.

WILLING TO PAY BONUS CERTIFICATES TO DATE

I am in favor of paying the exact amount that we owe the veterans to date. This bill would be paying them what will be the total in 1945, 13 years hence. When we passed the original bonus bill on May 17, 1924, we provided for a 20-year endowment policy, as it were, in the nature of an adjusted-compensation certificate, and on this endowment

policy the Government was to pay the premium. It was in the nature of an additional compensation to be paid to the veteran for service during the World War. They were to receive \$1 a day for service in the United States and \$1.25 a day for service overseas. Since the per diem payment was to be deferred, in the form of this endowment policy, to 1945, the Government added an additional 25 per cent of the total per diem allowance. If living in 1945, the full amount of the certificate, with duly accrued interest, will be paid to the soldier. If he die in the interim, his dependents would receive the full amount in the nature of death benefits on the endowment policy.

The Government, in order to pay the amount on the certificates, with accrued interest, in 1945, agreed to build up a fund therefor by paying yearly \$112,000,000.

In 1931 we revised the act to enable the veterans to borrow up to 50 per cent of the face value of their certificates. Up to March 31, 1932, the Government loaned on these certificates \$1,386,828,621.21. There had already been paid, up to March 31, 1932, in death benefits \$127,476,431. Therefore the Government has paid out to date on adjusted-compensation certificates, according to the acts of 1924 and 1931, \$1,514,305,052.21. Comparatively few veterans have not borrowed on their certificates.

These certificates have run seven years. They have still 13 years to run. There are still 13 years of unaccrued interest; that is, from 1932 to 1945. That interest on these certificates has not been earned. The amount of this unearned interest is \$1,353,000,000. If we pass this Patman bill we give the veterans this interest which has not as yet been earned. It amounts to almost as much as the per diem allowance figures to date. In other words, it is proposed to make another charge against the people of the United States almost equal to the original face value of the bonus certificates. That is highly unjust.

I am willing to subscribe to the proposition that we pay the veterans the face amount of the bonus, that is, the per diem allowance plus the interest accrued to date—to 1932. I would be willing to give the veterans the present-day face value of the certificates, which is another way of saying it. There would, of course, be deducted from the face value plus the accrued interest to 1932 whatever the veteran has borrowed.

To pay these bonus certificates, less the amounts already borrowed, would require about \$773,000,000. To this extent I shall go, but not beyond it. It would be difficult enough to raise this money. It would have to be done by the sharpest economy in all Government bureaus rather than by additional taxation. I would cut to the bone expenditures in all bureaus and cut down armaments to the nth degree, in order to make up the \$773,000,000, to be paid immediately to the needy veterans.

WE HAVE BEEN VERY LIBERAL WITH THE VETERANS

We have responded to every veteran demand. We passed the war risk insurance act, establishing an insurance system to take care of veteran casualties and disabilities. Whether or not a man took out insurance, compensation was given to him for death or disability. Widows and orphans receive monthly allowances, and veterans, where disabled, are given compensation calculated on the basis of loss of earning power. We have established vocational rehabilitation schools and spent in the process over \$600,000,000. We have developed a system of hospitalization providing complete medical care and treatment. We passed the adjusted compensation act, under which more than 300,000 veterans are receiving compensation according to their disabilities. Last year we passed a bill providing as much as \$40 for each service man for disabilities not incurred in line of duty. All this is in addition to the 50 per cent loan permitted on the bonus certificates. More recently the House passed, and there is pending in the Senate, a very liberal pension bill for the benefit of widows and orphans and dependents of veterans, which involves an expenditure of \$20,000,000 a year when it shall have been passed by the Senate and signed by the President. One hundred and twenty-three thousand dollars was made available this year for special veterans' unemployment offices; more offices are to be opened next

year, and when fully put into effect the plan will cost \$450,000 per annum.

Some 20 States have provided for additional bonus payments to their veterans. Twenty-eight of the States have spent a total of over \$39,000,000 for general and emergency veteran relief of one sort and another. Ten States have spent a total of \$7,500,000 additional on educational agencies. Six States have loaned a total of \$56,621,000 to veterans to help them establish themselves on farms or buy their own homes.

Many States provide for tax exemptions for veterans—exemptions from poll taxes, road taxes, and taxes on home sites. Superimposed on all these benefits is the veteran preference in civil-service examinations. Whereas every other applicant is required to make a grade of at least 70 per cent in examinations, an able-bodied veteran may pass at 65 per cent, and a disabled veteran need only make a grade of 60 per cent. Widows and wives of disabled veterans are given similar preference.

I herewith submit a statement of postwar expenditures for veterans:

Postwar expenditures (Figures to nearest 1,000)

Disability compensation (payable to 322,825 ex-service men whose disabilities were incurred in or aggravated by service) ¹	\$1,939,242,000
Disability allowance (payable to 353,744 ex-service men whose disabilities are not related to war-time service) ¹	70,248,000
War-risk insurance payments ¹	1,456,971,000
Vocational rehabilitation ¹	644,943,000
Emergency officers' retirement act ¹	34,750,000
Hospital, domiciliary, and out-patient facilities ²	97,450,000
New hospital and domiciliary construction at soldiers' homes ²	9,425,000
Permanent improvements and extensions to veterans' hospitals ²	14,000,000
Operation and maintenance of Government hospital facilities ²	435,000,000
Discharge fee.....	270,000,000
Expenditures of 30 States for veteran benefits.....	520,000,000
Loans on adjusted-service certificates ²	1,260,000,000
Total	6,782,029,000
Deduct war-risk premiums.....	450,000,000
Net cost of peace to date	6,332,029,000

Indeed, one dollar out of every four spent by the Government goes for the aid and relief of veterans. In other words, 25 per cent of our governmental expenditures is for veteran relief.

I, therefore, can not vote for an additional outlay of \$2,400,000,000. I am willing only to pay that which has been earned, namely, \$773,000,000.

FIAT OR PRINTING PRESS MONEY MUST BE AVOIDED

The Patman bill sets up a scheme for printing-press money to the extent of \$2,400,000,000. I say this emphatically, despite the statements made to the contrary by the previous speakers, that money that has nothing behind it but the faith and credit of the Government that prints it is printing-press or fiat money. It certainly is not what we know as "sound money," which is money made of a commodity or redeemable in a commodity which has a stable value in the markets of the world, like gold or silver. Fiat money is an order of the government or sovereign to consider a piece of paper as money. It is a command to use it as money.

The Patman bill sets up money which is not redeemable in gold or silver, is not backed up by commercial paper, is not backed up by Government bonds of definitely recognized value.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. CELLER. In a moment. It is the simplest thing in the world for the Government to print money. The Government takes a little piece of paper, and, as with a magic wand, says, "Be thou a dollar," or "five," or "ten," or "a

¹ Figures obtained from Veterans' Bureau, compiled to Feb. 29, 1932.

² Compiled to Mar. 23, 1932.

³ From President's message to Congress, Dec. 8, 1931.

hundred dollars." But strangely enough, the people do not accept the command that that piece of paper should be dealt with as a dollar, or as five, or ten, or a hundred dollars. I am reminded of a story told by President Lincoln. He propounded the question, "If I call a lamb's tail a leg, how many legs has the lamb?" Some one answered, "Five legs." Lincoln replied, "No; because calling a tail a leg does not make it a leg." And, Mr. Chairman, calling a bonus dollar a dollar does not make it a dollar. It is only a piece of paper. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. The gentleman says that fiat money is money not redeemable in metal.

Mr. CELLER. The money provided for by the Patman bill is fiat money. Not all money irredeemable in metal is fiat money. For example, our national bank notes are backed up by 2 per cent Panama Canal consols. That is not fiat money, although it is not redeemable in metal. It has, however, the full faith and credit of the United States behind it, as well as the resources of the national bank issuing it, in addition to the bonds of a project which is self-liquidating. That is not fiat money. But the Patman bill offers money with nothing behind it except the faith and credit of the Government. There is no redemption promise in the bill. It would be necessary for us to come here afterwards and pass another bill, as we did with the greenbacks during the Civil War, and make the money redeemable in something of tangible value.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I refuse to yield. As soon as we would issue this \$2,400,000,000 the so-called Gresham law would operate. That is, bad currency forces good money out of circulation. The bonus bills, having nothing behind them, would force all our good money out of circulation.

We have five kinds of currency, aside from coins—

First. Silver certificates, issued to the extent of \$491,000,000, against which there is deposited an equivalent amount of silver dollars.

Second. Gold certificates, to the extent of \$1,700,000,000, against which there is deposited in the Treasury the full equivalent in gold.

Third. Federal reserve notes, of which there was outstanding on July 1, 1931, \$1,956,000,000, and against which there is a 40 per cent gold reserve and eligible commercial paper, as well as definite marketable Government bonds, under the recently passed Glass-Steagall Act.

Fourth. National bank notes, to the extent of \$675,000,000, backed up by Panama Canal consols to an equivalent amount, together with resources of the national banks.

Fifth. United States notes (greenbacks), to the extent of \$346,000,000, against which there is a basis of \$150,000,000 in gold.

All these denominations may be called good, sound money. As soon as the bonus bills make their appearance all of the above currencies will be driven out of circulation. In fact, it is already difficult to get a gold certificate. Look into your pockets at the present moment—you may have some money, although most of us have not—do you find a gold certificate? Of course not. Gold certificates are as scarce as hen's teeth. In New York I have not laid my eyes on a gold certificate for months. The people are hoarding them.

The minute you pass this bill you will drive more gold certificates out of circulation. When you must choose between certificates or bills backed up by gold and certificates, or bills backed up by nothing, the selection is not difficult.

If this bill ever becomes a law, silver and gold certificates would disappear, as would also Federal reserve notes, national bank notes, and United States notes, or greenbacks. Already Gresham's law is operating and driving gold money out of circulation.

Our experience, and the experience of every nation with soft money or printing-press money, has been disastrous. It has been tried several times in the history of China with terrifying results. Likewise in Persia. In the thirteenth century a Persian monarch initiated a scheme of irredeem-

able paper money. Eventually there was great distress among the people, and the monarch was murdered in a popular uprising. The same idea was rediscovered by the great Scotch financier, Law, at the beginning of the eighteenth century. And he, too, had to flee for his life after the bubble collapsed. Then we had the French "assignats." The country at first was made immeasurably rich; there was great inflation; prices went sky high; and the value of the paper money went down. The printing press kept printing in endless streams the pieces of paper money called "assignats." There seemed to be no end. Speculation became a mania. Then the collapse came. The bubble burst.

Germany soon after the World War started her printing presses going. Trillions of marks were printed. There was no stable basis. What was the result? A wagonload of marks could not buy a wagon.

During our Revolutionary War the Continental Congress could not levy taxes. It therefore sought to finance the Revolutionary War by the printing of money, with nothing behind it. The more issues that were printed the greater became the depreciation in value. The people refused to accept the money on face value. There was great speculation in this money. At one time a thousand continental dollars brought only a dollar.

The various State assemblies inflicted upon the inhabitants severe punishments for their failure to consider continental money as full legal tender. Money penalties and imprisonment, and even loss of heirs, and the penalty of being outlawed as enemies of the country were inflicted. Yet the people would not accept the money. It was at that time that the phrase was coined, "It is not worth a continental." So the bonus dollar, in due course, would "not be worth a continental."

I AM OPPOSED TO DECEIVING THE SOLDIERS

The bonus dollars would steadily go down in value. I want the soldier paid in sound American dollars and not in fiat money. We had another sad experience during the Civil War. As a result of military necessity and due to lack of metal the Government, to finance the Civil War, printed millions of "greenbacks." There was nothing behind them. Soon after they were issued they depreciated in value. They became worth only 38 cents on the dollar. So it will be with the bonus dollar. They will dwindle down to 38 cents or lower.

These "greenbacks" during the Civil War were most distasteful to the inhabitants. Many refused to handle them. Gresham's law was again operating to drive out good money. There was even a lack of small coins, like nickels, pennies, and dimes. People hung on to the coins, hoarded them—so disastrous was the effect of the greenbacks. For purposes of trade and exchange the Government was compelled to issue fractional greenbacks, or postage-stamp money, "shin-plasters," in denominations of 5, 10, 25 cents, and so forth. After a long struggle of many years, the greenbacks became redeemable in full. They became interchangeable with all other currencies. Faith was renewed in them. Of these "greenbacks" there was outstanding at the end of the last fiscal year \$346,000,000; but there is behind them, as a result of additional legislation, \$150,000,000 in gold.

This country will not tolerate a debased currency. Experience should teach us now to shun printing-press money in any form.

Furthermore, such money would involve a snare and a delusion to the veteran. He thinks he is getting good, old American dollars. Instead he gets soft, debased money. I shall not be a party to the deception.

Senator Carl Schurz in the Senate in 1874, speaking against currency inflation by fiat money as a remedy for the distress caused by the panic of 1873, said:

When looking at the scheme advocated here to relieve distress and to revive prosperity one might almost believe that gentlemen with the most serious faces were carrying on a game of cruel mockery with those who look up to us for guidance and aid. If they ask for bread, * * * I entreat, do not give them a stone. If you do not know how to aid them, at least do not deceive them; do not impose upon their credulity by offering to them as a remedy for their ills * * * the extension of a money system

which, wherever it has been tried, has always turned all social and economic movements into a game of chance and overreaching in which always those lose most who have least to lose.

These words are as cogent and compelling as when first uttered.

I could give paragraph after paragraph of speeches inculcating the same lesson—to shun a debased currency—from the works of Jefferson, Hamilton, Albert Gallatin, John Stuart Mill, and Adam Smith.

THE POOR WILL SUFFER

Wildcat speculation, gambling, and desire to get rich quick are some of the major causes of our present difficulties. The pendulum now swings the other way. Under such circumstances the poor and least able to bear burdens are hardest hit. But certainly fiat or soft money will not rescue the poor or those bent low with burdens, because history has taught us that irredeemable soft or fiat money always reacts most disastrously upon the poor. The rich man can take care of his interests; he can provide for his own welfare, despite the vicissitudes of fluctuation in the values of commodities and money. If the currency is inflated and the value of money declines while the value of commodities increases, the rich man can speculate upon such fall and upon such rise. He commands the situation and can take care not to be its victim; he anticipates these declines or increases because he is possessed of a knowledge of the factors causing these changes, which knowledge is denied the poorer man. The latter, living from hand to mouth, on his daily earnings, is the slave of his necessities; he is unaware of the forces working against him; he can not, like the rich man, speculate on the rise in commodities or the fall in money; he needs every penny he earns for his food, shelter, and clothing.

When the currency declines in value, who is the first and who is the hardest hit? The laboring man. His wages buy less, his purchasing power is reduced; he therefore earns less.

CONFIDENCE CAN NOT BE RESTORED

We are told that confidence is necessary to rescue the people from the depression. But fiat money frightens and intimidates. The merchant, for example, becomes worried at the fluctuations in the value of the currency and will only buy for his trade's immediate needs. His profits dwindle, and he is able to buy less with his money. While the commodities on his shelves may increase in value, this increase is more than offset by the higher price he pays for new goods. Investors become frightened; they invest in countries where there is no fiat money. Foreign investors particularly would withdraw their money from the United States; they would fear confiscation. They are creditors of the United States, and if fiat money is made legal tender for the dollar these foreign investors would fear that the obligations they hold would be paid with the debased currency and they would receive less than they feel they would be entitled to. Gold would leave the country in tremendous quantities. France, for example, has millions and millions of dollars in gold in the vaults of the Federal reserve banks. That money and other French credits would be withdrawn. Other countries would follow suit. It would be difficult for us to remain on the gold standard.

It is difficult to estimate all the havoc the passage of this bill and its enactment into law would create. Certainly no new jobs would be created. There would, on the other hand, be more idleness, and the veterans in the long run would be the losers.

WHY NOT PAY ALL THE PUBLIC DEBT WITH FIAT MONEY?

Why did we recently go through all the turmoil and the travail of passing a tax bill of \$1,800,000,000? Why not authorize the Treasury to issue \$1,800,000,000 in fiat money, and in that way pay the interest on the public debt and all Government expenses? I am sure that the Members of this House would set up an awful howl if they were paid their salaries with bogus or fiat money. It would be mighty easy for the Government to pay its obligations in this way. In fact, why raise any taxes at all? It is so much easier to print paper money and pay every debt that way. There is

no good reason why we should limit ourselves to the payment of the bonus with fiat money, and if the printing presses will not hold out, we can turn pants buttons into pennies and if necessary make wooden dollars.

CONCLUSION

Since the Patman bill would be a snare and a delusion to the veterans, since it would be embarking upon the dangerous scheme of printing-press money, since it would make our economic confusion worse confounded and create more unemployment and distress, since it would drive good money out of circulation, and since it would be a discrimination in favor of the unemployed veteran as against the unemployed nonveteran, I shall vote against it.

I shall, however, vote for the payment of the adjusted-compensation certificates as same shall have been earned to date.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. WHITE].

Mr. WHITE. Mr. Chairman, probably nothing could more depress me than to say no to the men with whom I marched and dug trenches and with whom I slept in tents, with whom I shared the trials of the field. This is especially difficult, concerning something they sincerely believe is due them, something to which they feel they are entitled; but I feel myself forced to give that answer on this question to-day. The question of issuing money has come before us, and the contention has been presented that we have some money in circulation which is defective. Is it suggested sincerely in this House that this justifies the issue of more defective money?

We have been passing through a terrible depression. We have undergone trials in this House to balance the Budget of the Nation. I want to give you a figure or two, to make clear how unbalanced that Budget was. The deficit of this year is twenty-five times as great as any deficit this Nation ever incurred in a previous peace-time year. It was four times as great as the entire deficit of the Civil War. It was twenty-five times as great as the deficit incurred in 1899, which was the big deficit year in connection with the Spanish-American War. It was more than ten times as great as the deficit incurred by Great Britain in 1923, which, as far as I find in the records, was the greatest deficit ever made by any government in peace times.

Now, we have passed a bill, which dips to the very bottom of the pockets of the people of this Nation. Many businesses will close their doors from its effect. Now we bring in a proposal that for 4 per cent of the people of the Nation we shall incur an additional debt of \$1,633,000,000, when we have a debt of approximately \$20,000,000,000. That is the additional obligation this payment at this time would entail. If we are going to pay it, for God's sake, pay it like men, with honest money, with a bond issue.

Make it a straightforward deal and not an effort to dodge the issue. There is no alchemy, there is no trick by which you can make something worth something that otherwise is basically valueless. The Government stamp does not make anything worth while unless it carries some goods or some value behind it. You can not make it of real value in any other way.

In other words, if we are to make this payment at this time, it has to come from somebody. It has to come from the people of this Nation, and the people of this Nation are in just as serious condition as are my comrades with whom I went to war and in whose case I am sincerely interested. It has to come from the men who are over 50 years of age. It has to come from those who have just come into their majorities, and those who have not yet become established in life. It has to come from all the people of this country. There is no other way by which it can be done. To pay this levy we must dip into the pockets of the other sufferers, the other unemployed. You can not justify it. [Applause.]

It has just been called to the attention of the committee that the war veterans of the United States are paid nearly as much as all the war veterans of Germany, France, Great Britain, Italy, and Canada combined, despite the fact that

we had in service 4,757,240 men compared with 34,000,000 for these nations. May I call to your attention also that the World War veterans and their families are benefactors to the extent of several hundreds of millions of dollars at the present time, which improves their average situation over that of the nonservice civilian. The World War veteran probably is at the most employable age of life. That gives him an advantage over the youthful who have not yet become established and the aged who have passed the zenith of earning ability.

We are in a great emergency, and every outlay of this Government should be for its necessary operation and the prevention of suffering. On these grounds we can not justify this expense at this time. To attempt to meet it by a monetary subterfuge is an effort to evade the real question by a method economic law will not sustain.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HAWLEY. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. ANDREW].

Mr. ANDREW of Massachusetts. Mr. Chairman, it is obviously difficult, it is practically impossible, in five minutes, to say anything worth while upon a problem of such scope. It is humiliating, I am sure, to every thoughtful Member of this House that a measure which reaches so profoundly into fundamental economic principles should have to be discussed and perhaps run the risk of passage in this House after four brief hours of scattered debate. It is most unfortunate that it should be brought up on the crowded fag end of a session, when few can give it proper attention, and on the eve of a political campaign, when many Members of the House—and I say it advisedly, because I have talked with many of our colleagues—may feel constrained to vote for the measure, not because of their convictions as to its worth but because of what they fear for their own political future. It is a catastrophe that a proposal of this kind should be brought before the House at a moment when the industrial and economic life of our country are paralyzed by fear and dread and when the little spark of confidence that remains is apt to be extinguished by the dangers involved in the passage of such a bill.

I am sure there is no Member of this House, man or woman, who has not been deeply moved by the sight of these veterans of the World War who have been with us for the past two weeks. They have handled themselves well. They have not disturbed the peace. They have successfully resisted the temptations of un-American agitators. They have commanded our sympathy and respect, because they have shown the qualities of good soldiers and good Americans. There is an added pathos about it all in the fact that these men, and many of their comrades at home, have been woefully misguided by certain Members of this House, misguided in being taught to believe that the Federal Government owes them something and is withholding something from them which is their due; misguided in believing that the Federal Government should extend to them special favors at a time when vast numbers of other Americans are in equal distress; misguided furthermore in being led to think that this measure will bring benefits to the country which they served in the war, and will benefit their own interests.

I say they have been misguided as to what the Government owes them. They have been told and they honestly believe that the Government owes them something which it has not given them. They have not been told often enough what the Government has done for them. As has been said on the floor this morning, during the present fiscal year our Government is expending for the special benefit of the veterans of the World War alone no less than \$860,000,000. That is one-third of all the taxes that are being collected from our people for all purposes. It means an average of nearly \$200 for each and every one of the 4,000,000 and more veterans who served for a greater or shorter length of time during the World War. And this takes no account of the loans being extended to these veterans upon their certificates.

As for the bonus, I was one of the early advocates of it on this floor. I voted for it over the vetoes of two Presidents

of my own party—in 1922 and 1924. I believed that it was an obligation which was fully justified. I still do, and I would gladly vote to-day for the payment of the original sum which the veterans asked for plus accumulated interest from the time they left the service up to the present time or up to the date of payment. I can not, however, see any obligation on the part of the Government to pay also to-day interest for the next 13 years which is not yet due but which is involved in the demand for payment of the "face value."

There is no time left me to discuss the special provisions of this bill, or their economic ramifications, but I am convinced that if it should be enacted into law, this country within 24 hours would pass off the gold standard, and the easy way of raising money by merely printing it, to which this bill points the way, would be resorted to again and again as it was in Germany and as it was in France within the past decade. This would do incalculable harm to every wage earner in the country and to every man who has a salary. It would do incalculable harm to everyone who has insurance, or who has deposits in savings banks. It would do incalculable harm to the veterans themselves, because whatever they have won in the way of promises from the Government for compensation, for disability allowances, or for retirement allowances would be diminished in value and might be completely wiped out. I discussed these possibilities at considerable length before the Ways and Means Committee and can not in the brief time available to-day attempt to repeat what I then said. (See hearings, pp. 459-469; also CONGRESSIONAL RECORD, pp. 9143-9146.)

Mr. Chairman, our country has shown, as it should, generous evidence of its gratitude for the inestimable service which these men rendered in the war, and it will continue to do so. But it can not afford to do that which it is asked to do in this bill, because it would be to the detriment or peril of all our people. The ex-service men, if informed of the truth, would not want us to do so. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Kentucky. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. FREAR]. [Applause.]

Mr. FREAR. Mr. Chairman, I have listened with great interest to my friends on this side of the aisle, men who served in the war, officers who cleverly have been called to oppose this bill, and I have wondered if men who oppose, receiving what they do in compensation from the Federal Government to-day, and some who served during the war receiving officers' pay can fully understand or comprehend the position of the man we sent to France to fight at a dollar a day. I did not serve in the war. I was here in Congress when they were sent over, but when I enlisted at Fort Myer as a youth I received \$13 a month and know the difference between \$13 a month or \$1 a day paid our soldiers in France compared with the man who gets possibly \$30 or more a day, depending on his outside income. Fair and honest judgment you must exercise, and I ask that in all sincerity.

I helped prepare the first adjusted compensation bill, and it was carried over a President's veto, returned under advice of the Treasury Department. The bill loaning 50 per cent of the adjusted-service certificates last year was again opposed by the Treasury, and again Congress overruled the President's veto, always urged by the Treasury. Surely, gentlemen are not demagogues or hypocrites, who stand here and plead for these poor fellows throughout the country out of employment. We are just as honest as men who do not comprehend the position these veterans are in who ask for jobs or for the bonus.

I grant we have done more for our soldiers than any other country, as has been stated, but the wealthiest Government in the world has always done that. The chart just presented stated we have paid something over \$800,000,000 a year for pensions, and it is right that we should aid the disabled soldier. There is not a man, I submit, who would rise in his place and oppose it. Not one man among us envies the man who fought in the trenches and was disabled. It is said, my friends, that we should not vote for this bill because, forsooth, it will only give relief to a few men. Those of you

who are on the Democratic side of the aisle the other day were ready to give away an equal amount of money, or practically so, under a caucus rule, for what? Public buildings, river, flood control, and things like that, which would employ possibly 200,000 or 300,000 men. The money provided under this bill is going to 4,000,000 men and to their families, men whom you have promised to pay. Their needs are greater to-day than ever before, their families in many cases are in want, and they ask for relief through the dollar a day promised them in addition to the \$1 a day paid them during the war. That is a Government pledge Congress has enacted into law. It ought to have been paid long ago. They should not wait 13 years more to get this slight relief. No one should question their present needs or their rights over the average unemployed because evidenced by certificates that contain a Government's promise to pay for war sacrifices.

NO FIAT MONEY IS PROPOSED

It has been charged that to do so Congress must set all the printing presses going to pay fiat money and bankrupt the Government. No one believes this is said seriously, but it is a frivolous argument which may excuse those who need an excuse for their votes. I do not care how you pay them; I do not care if you pay them by bonds, to mature in 1945 or beyond that time. Many plans are offered, and a bond payment should not frighten the average Member. When the war was on I was in the House, and Congress sent these men to fight without any volition on their part. A little company I organized in my home city before the war lost 88 men killed or died in France. Over 13,000 men were disabled or suffered casualties in the Thirty-second Division, composed of Wisconsin and Michigan troops. That is war. We borrowed twenty to thirty billions of dollars to wage that war, did we not? Yes; and we were not balancing the Budget then, and we never balanced the Budget nor were called upon to do so until this year. Permanent improvements and enormous expenditures have been undertaken without Executive protest, but heavy demands for taxation and slashing of wages are now asked to balance the Budget. I repeat we borrowed around \$30,000,000,000 to wage war in Europe, and now men here predict bankruptcy if these certificates are to be cashed by a comparatively small bond issue, small compared with \$30,000,000,000 or \$11,000,000,000 we loaned Europe and have discounted to one-half that amount. We could do that for Europe. How about the veterans that saved Europe and are now forgotten while Europe demands from us complete cancellation of their debts?

BONUS SHOULD HAVE BEEN PAID LONG AGO

I did not expect to inject myself into this discussion. I helped draw the adjusted compensation bill, urged its cash payment then, and have actively supported it since. One speaker said payment of the bonus would only help a few of the unemployed. The public building and river bill that passed the House last week would only employ around 200,000, when the bonus payment would reach 4,000,000. Other speakers said inflation to pay the bonus bill would start the printing presses as in Germany. No one believes that. Those who voted for the Garner bill imperiled their country if so.

But we are told a handful of wet, bedraggled veterans over at Anacostia, begging for the bonus, are threatening Congress. That is not true, but only an excuse for refusing them some compensation. One million veterans back home out of employment and their families are waiting for aid. We sent these men to fight, took them from their jobs, and gave them a dollar a day. The bonus was only another dollar a day, while their friends at home received ten times a soldier's pay.

Veterans are asking for the payment of that promise. Never in all history was the need of these men greater. The wealthiest country in the world, that borrowed from twenty to thirty billion dollars to run the war, that never balanced its Budget then, is now advised by those who have always opposed this bonus that a payment now will bankrupt the Government. Mr. Chairman, I ask my colleagues not to indulge in hypocritical reasoning. Those who here enjoy \$30

a day or more should not denounce these wet, ragged, bedraggled men soaked for days in the rain, who only ask for a dollar a day. They ask for bread for themselves and families. They ask it from the wealthiest country in the world, for which they fought. Among those who came back, a million or more are in dire need. They ask for bread, and Congress should not offer them a stone.

Thousands of these veterans are here. I concede some one is to blame. They are rain soaked, poorly dressed, hungry, and without jobs. Not one has asked me to vote for this bill. Many have come here, misguided, but hopeful of getting relief. They are here because they are out of employment and do not know where else to turn for relief. They are men who served your country and mine. Not one of them has a job. Their families dependent on them are back home. Four million veterans in round numbers with their families are entitled to relief. Possibly a dozen or more millions in all, counting families. Many of them are in need because without employment. We can not give them jobs. We all know that. Then, let us do the best we can and give them what Congress has promised would be given, this bonus. Let us cancel the debt. [Applause.]

GIVE THEM THEIR DUE

It is argued that the veteran's certificate is not due until 1945 and should be computed at its present cash value.

The Government has profited by 2 per cent interest annually from all those who borrowed on their certificates since loans were made, and this "bonus" will not pay the real debt owed by our people to veterans if doubled and redoubled in amount. Again it is said that only needy veterans should be paid when the Government is sorely pressed for many relief measures. That would be difficult if not impossible to determine when the present emergency requires immediate relief of distress and want by hundreds of thousands, of veterans and their families.

It is also argued that alleged "veterans" drafted into safety positions two or three months before the close of the war should not be classed with real veterans. As one who served in the Regular Army five years and double that time in my State's National Guard, I appreciate a distinction in service between "veterans," but it is better to err in giving limited bonus aid in all cases than to neglect the needy.

I was active, as stated, when the original adjusted compensation bill was before our committee, and favored immediate cash payment. We accepted a compromise, but many reasons were offered for cash payment then. One all-sufficient reason was that Congress drafted an army of 4,000,000 men to fight in Europe and they had no voice in that decision. The enlisted men then were given around a dollar a day for war service, as stated, with deductions from their small pay for insurance and dependents, while many of their civilian comrades remaining in safe places at home were paid from five to ten times or more the pittance given those we sent to France to fight.

If it was their duty to fight for those who stayed home, it is our duty to make some effort at just compensation now.

Last year, General Hines said to our committee, 300,000 veterans were then asking for jobs. Over the President's veto Congress granted an additional loaning privilege then and saved much suffering. To-day many hundreds of thousands of veterans are needy, out of jobs which Congress first took from them when they were drafted for war. Those who now would treat the jobless veterans as needless burdens are among those who cheered them on their way to France.

IF PATRIOTS THEN, THEY ARE PATRIOTS NOW

I remember how they marched through the Capital City 15 years ago, singing patriotic songs under the lead of song and cheer leaders. Well dressed, well fed, they were a fine military body of men. Brought here now, misguided by advisers, thousands of these veterans are again around the Capital, splendidly behaved, fine boys; but, poorly dressed, hungry, and without jobs. They do not ask for alms, but they sincerely believe a grateful Government should give them and the millions of veterans back home their promised "bonus" for themselves and needy dependents.

Tenfold their service pay would not compensate the average man who fought in the trenches where those 13,000 Wisconsin and Michigan troops of the Thirty-second Division suffered casualties, during which time the French termed them "Les terribles." Those not disabled in war have lost their jobs, and that is next to war. We were proud of these boys then, why not now?

The world is still topsy-turvy. Business is depressed, but this country has more natural resources and wealth than in 1917, and more than any other world power possesses. It is certain to swing back the pendulum to better times.

This session, Congress has furnished \$2,000,000,000, if need be, to save railways, banks, and other businesses from bankruptcy, and I voted for the reconstruction bill as a necessary relief measure to save widespread disaster and inspire business confidence. We have voted many other needed relief measures this session and will vote more.

To win the war, as I have stated, we borrowed between twenty and thirty billion dollars. It will not bankrupt the Government to borrow sufficient money to pay the bonus to these men who won the war. Other means of payment are in the bill, but, whether inflation to stop deflation or a bond issue is needed, the bonus should be paid.

Not one man in ten who stayed home in 1917 with a good job would have exchanged places and hazards with their doughboy comrades at \$5 a day or double that figure.

PAYMENT NOW WILL HELP PAY DEBTS OF VETERANS AND AID MILLIONS OF OTHERS

Payment of the bonus will help pay debts in every community and put in circulation money in every county, in every State in the country, not restricted to aid of veterans alone, for it will give general relief. It will also pay a Government obligation, and if these men were patriotic enough to fight in foreign trenches and battlefields in a war to end wars, as Congress required them to do, then the wealthiest Government in the world should be patriotic enough to pay them after the task is performed and when they are in need, and no sane man will question that need now.

I have opposed wasting public money by erecting extravagant post offices at every country crossroads or by digging deeper channels for commerceless rivers and creeks or flood-control profiteering, 80 per cent of which sometimes is extravagance and waste, but I can think of no more worthy and needed relief measure involving practically the same proposed expenditure than that which cares for veterans we drafted to fight our battles and who hold from us their Government's promise to pay.

The public will some day again shout for war and again forget those who make the sacrifice. That is human nature, but we should "balance the budget" debt to those who paid the price with hard-earned war service before another war comes. Other needed relief measures are urgent this session, and some have been passed, but I see none more pressing than this effort to cancel the bonus debt and save America's war veterans and their families from want and suffering.

Mr. VINSON of Kentucky. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. BROWNING].

Mr. BROWNING. Mr. Chairman, I have been somewhat disappointed in the contention that has been made here this morning and persisted in that this bill will be a charge on the Treasury of the United States.

The assertion is made that you can not issue money that is worth nothing without being a charge upon somebody. From the foundation of this Government our currency has been based on three things, and if the currency is increased it is always by one of three methods. You either buy silver, you buy gold, or you buy Government securities, and either one is something of intrinsic value. If Government bonds are not worth anything, then the credit of the United States is not worth anything.

I take the position that we have come to the point in our national existence when we must have an expansion of currency. I believe that for this reason: That the dollar is now worth from \$1.50 to \$1.60, compared with what it was worth in normal times. We know the need of expansion

for another reason. My people who made debts on 20-cent cotton can not pay those debts on 4-cent cotton; that my people who made debts on \$1.50 corn can not pay those debts on 25-cent corn. I insist the time has come when the currency must be expanded. I do not mean inflated, but where it must be put on a parity with the commodities we have to sell in order to get money.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BROWNING. Yes.

Mr. STRONG of Kansas. Let me suggest that the dollar should be deflated.

Mr. BROWNING. Well, I think possibly that would be more in keeping with what we are trying to do. Here is our position: We must either expand the currency by the purchase of gold, by the purchase of silver, or by the purchase of Government securities.

These adjusted-service certificates are just as much an obligation on the part of this Government as any bond it ever issued and on which the Government's name was signed. I challenge those gentlemen who have said this is fiat money to get up here and say they are willing to repudiate the bonds—the adjusted-service certificates—the Government has issued. They are national obligations. If we are looking for a Government obligation to exchange for a circulating medium, what kind are we going to look for? Are you going to the banks that now have all the money hoarded and pay them money to put in their vaults for the bonds they hold, or are you going to pick out those securities that are scattered throughout the Nation, in the hands of people in every section of the country, and buy those? In other words, use those as an exchange for a circulating medium. I insist it is absolutely sound that we purchase those that are scattered all over the country and in the hands of those we know will not hoard the money, so that money will get into circulation and in some measure equalize the value of the dollar in comparison with commodities.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. BROWNING. Yes.

Mr. VINSON of Kentucky. Thereby transforming a non-negotiable security into a negotiable security?

Mr. BROWNING. That is all it does. I want to say to those who claim this is a charge against the Treasury that not only is it not a charge against the Treasury but it will mean a saving to the Budget of this country of \$112,000,000 a year from now until 1945, because that is what the sinking fund is required to provide to meet these adjusted-service certificates when they become due.

Now, somebody says we are to issue bonds under this. That is true; and the only possible charge this could be against the people is 3½ per cent interest which these bonds will bear if and when they are sold. I hope they will be sold next year, because the dollar must get back to normal before they are sold. I know the people of this country would be glad if we could go back to the 1926 level and pay 3½ per cent interest on \$2,000,000,000 in order to get the prices for commodities which we received then, and that is what this bill tends to do.

We passed the Reconstruction Finance Corporation act under which we extended credit to the banks; but it did not do any good except to save the life of a few banks that borrowed this money and paid it to those who hoarded money again. The President knows, and those in high official positions know, that hoarding is still going on, and this is the only effective effort we have made to place money in circulation that can not be hoarded.

Mr. COX. Will the gentleman yield?

Mr. BROWNING. Yes.

Mr. COX. If the pending bill carried a provision providing for the payment of these certificates by the issuance and sale of bonds would the gentleman favor it?

Mr. BROWNING. No. I am not in favor of that. I will say frankly to the gentleman that my position is that I am in favor of the payment of these adjusted-service certificates in advance of the time they mature because I believe that will help expand the currency so that people can trade and buy and sell the things they produce at fair prices. [Applause.]

You talk about balancing the Budget. The Budget has not been balanced and everybody knows it has not been balanced. I do not think it will ever be balanced at the rate we are going, even if you raised the taxes sky high, for the people can not pay them. That is the reason I voted against the tax bill. However, if you will pass this measure you will take \$112,000,000 off the Budget and expand the currency so that people can pay taxes, and unless you do that you can not balance the Budget.

Mr. COX. If the general welfare is that which the gentleman is undertaking to serve, why would it not be better served if you would issue this currency and pay all Government expenses, thereby reducing the tax burdens on the people.

Mr. BROWNING. I am not advocating promiscuous issuance of fiat money with no basis. I am as sound as the gentleman from Georgia. I advocate the exchange of Government securities for circulating medium, with an absolute check on inflation. You will reduce the tax burdens by passing this measure, and that is what I have been talking about. I just told the gentleman that if you buy bonds belonging to these banks you only buy bonds from those who already have money hoarded. So what is the use of giving them additional currency if they are going to hoard it? However, if you will pass this measure the money that will go out as the result of it will not be hoarded by big banks, and it will be turned over 10 times in payment of debts. I believe that is the only way you can balance the Budget. My serious judgment is that we must make it possible for somebody to pay taxes.

Mr. COLTON. Will the gentleman yield?

Mr. BROWNING. Yes.

Mr. COLTON. Other countries have expanded their currency, and is it not a fact that commodity prices have not increased in those countries that have tried this experiment?

Mr. BROWNING. In all of them except one, and the gentleman can read in the hearings where the economists cited that one case.

Mr. COLTON. I did not understand the gentleman. It has not increased commodity prices?

Mr. BROWNING. It has increased them in all of these countries except one.

Mr. COLTON. I had understood it had not, except temporarily.

Mr. BROWNING. It has increased them.

The standard of value in the world to-day is the American dollar. It is not the gold dollar of 25.8 grains nine-tenths fine, it is the American dollar such as you handle in your pocket, if you happen to be lucky enough to have one. This is the trade standard of the world to-day, and you know that if you increase the number of them, this automatically increases the price of commodities because it cheapens the dollar, and those who stand here in the name of courage and say they are opposed to this measure because they want to be statesmen are willing to line up with those people who have precipitated this condition, and are willing to help them to carry it out to the fullest extent. [Applause.]

I am telling you, frankly, this condition we are in is not just a mysterious, recurrent cycle of some kind. It is a man-made condition. There is no natural or divine law on which you can call as the cause of this depression. Those interests who have the money of the country to-day hoarded are primarily responsible for the condition from which we are suffering, and that is the condition I want to help to remedy if I can. Naturally, the ones who now hold the money do not want it cheapened. I want to run every dollar of it out of hiding with this bill.

Mr. SIMMONS. Will the gentleman yield?

Mr. BROWNING. Yes.

Mr. SIMMONS. I have listened with much interest to the gentleman's statement, particularly that part that said this measure would not increase the tax burden or the obligation of the Treasury—

Mr. BROWNING. Make it brief, please.

Mr. SIMMONS. How does the gentleman explain the fact that it would increase the load by paying a 1945 debt now and paying 13 years of unaccrued interest?

Mr. BROWNING. Does the gentleman insist we would not have to meet the face value of these obligations in 1945?

Mr. SIMMONS. That is absolutely agreed.

Mr. BROWNING. Do you insist we would have to pay any interest on this currency that would be in circulation?

Mr. SIMMONS. I do not know anything about that. The gentleman was talking about the issuance of bonds.

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. PETTENGILL].

Mr. PETTENGILL. Mr. Chairman, I am certain that no bill during this session has been more painstakingly considered than this. There is not a Member of this House who has not been touched by the plight of the ex-service men who are out of work. Many of them are here. I have been down to their camps and talked with them. They are here because they do not know where else to turn. They tell me, "Give us a job and we will not ask for the bonus."

Their splendid discipline has won our admiration. Ragged as many of them are we can not forget that any one of them might be resting where the unknown soldier sleeps. They had as good a right to come to present their case to us as the international bankers. We would help them in any way we could which would not injure the country they have served so well.

Weeks before they came, on April 25, I spoke in their behalf before the Ways and Means Committee. I presented a plan which seemed to me to be sound, which would not have placed an additional burden on the Treasury and the taxpayers of the country. My suggestion was as follows:

At the option of the veteran let him turn in his adjusted-service certificate, less any amount due on loans previously made, ascertain its "present value" at a low rate of interest, say 2 or 3 per cent.

For such present value deliver to the veteran \$50 (or possibly \$25) coupon bonds, all due in 1945, bearing 2 or 3 per cent interest.

It substitutes one obligation of the Government for another—bonds for adjusted-service certificates, both due in 1945, and both to the same creditor, the veteran. It does not increase the total obligation. If the credit of the Government is not impaired by the fact that adjusted-service certificates due in 1945 are outstanding, the substitution of baby bonds for a like amount, and a like maturity, would not seem capable of impairing confidence in the Government.

It would relieve distress and bring hope in hundreds of thousands of homes. Creditors of the veteran—his grocer, his coal man, his merchant, his mortgage holder, his doctor—would accept the bonds as money, and, I think, in most cases without discount, both because it pays a debt which he is glad to receive and for patriotic reasons also. It would bring Government credit to the grass roots, to every township in America. Because these small bonds would pass from hand to hand, they would tend to produce a moderate degree of inflation or "reflation," which we all agree is imperative if commodity values are to be turned upward—without which buying, production, and employment will continue from hand to mouth. At the same time such inflation would not tend to get out of hand.

I suggested also, in order to prevent these bonds from going below par, that the Secretary of the Treasury be directed to use the sinking fund—already set up for the retirement of the certificates in 1945—in purchasing them at par in the open market.

This plan would not have increased the burden on the Government; it would not have been an inducement to those not in actual need to surrender their certificates; and yet, by giving the holders the present value of the obligation which has run seven years, it would have made available several hundred million dollars of negotiable obligations of the Government for the relief of distress. For the present value of the nonnegotiable obligation—the certificate maturing in 1945—it would have placed in the hands of needy men negotiable obligations maturing at the same time.

The other day the gentleman from North Carolina [Mr. BULWINKLE], who has a distinguished record as major in the One hundred and thirteenth Field Artillery of the American Expeditionary Forces, introduced a bill which carries out

the ideas I expressed before the Ways and Means Committee. I should be glad to support it. But the lines have been tightly drawn. A fair and reasonable adjustment will not be agreed to. It is "all or nothing"—and this despite the fact that the Patman plan has never had a Chinaman's chance of passage. It has been known for days that 55 or more Senators would never agree to it, that the President would veto it if it did pass, and that it could not become law over his veto.

There are those who offer the ex-service men something impossible to deliver and there are those who would agree on a fair adjustment which would give them all that their certificates are now worth, with a reasonable chance that it would become law. As between the two, I must let the veterans judge where their real friends are.

The Patman plan calls for paying now the full 1945 value to every certificate holder. Mr. Speaker, there are 550,000 living veterans of the World War who for one reason or another do not hold adjusted-service certificates. The proportion of unemployed among them is probably as great as among those who hold certificates. If this is a relief measure, it is evident that this bill can not help them.

In addition, there are 826,000 certificate holders who, because they are not in need, are employed, or have independent means of their own, have not borrowed on their certificates. The average 1945 value of their certificates is \$1,000 each. This bill would therefore pay out at this time \$826,000,000 to men who have not asked for it, who do not need it. Can you defend that payment before the farmers, the idle wage earners, the business men, and the taxpayers of the Nation in these days of distress and destitution everywhere? What would be their reaction to that? Why, gentlemen, we have just laid a billion-dollar tax bill on every gallon of gasoline, on every bank check, on every letter that goes in the mail—a terrific burden on every man and woman in America—and yet you propose to pay out almost an equal sum to the service men who do not need it, who have not asked for it. Is it possible that you can build good will among the American people for the legitimate purposes of veterans' organizations by any such proposition as that?

Contrast that vast sum with what we propose for the relief of destitution everywhere in this land. In the Garner bill \$100,000,000 is to be placed in the hands of the President to prevent actual starvation. In the Wagner bill, which is supposed to have the approval of the President, \$300,000,000 is to be made available to loan to States and municipalities to relieve distress. And yet the Patman bill proposes to pay to men who do not need it eight times as much in one instance, and nearly three times as much in the other, as we propose to set aside for the poor and needy among 120,000,000 people. I do not think you can defend that proposition back home before 8,000,000 idle wage earners, before millions of farmers whose toil does not earn their taxes, before merchants and manufacturers and railroad men staggering under a load of new taxes. To pay at this time a debt of \$2,400,000,000 which does not fall due until 1945 would mean the immediate disbursement of about \$1,300,000,000 of unaccrued interest.

I am certain that the service men of our country would not have Uncle Sam go out and visit one home where there is a widowed mother whose husband was not in the Army, where there are undernourished children, and refuse relief to them, and then go to a neighboring home where the man may have worn the uniform but who is in good health and in favorable circumstances, and give \$1,000 to him and deny it to that widow and those children.

If the ex-service men alone were out of work, it would be a different story. But, unfortunately, there are millions of others who are out of work, and I can not convince myself that the payment of \$2,400,000,000 to less than 4 per cent of the population of this country will not make it more difficult, if not impossible, to take care of the millions of non-service men and their families if this terrible depression continues. Relief on account of disabilities incurred in service is one thing. But relief on account of unemployment places every American on an equal footing. I can not see it

any other way. If this depression keeps up, the Federal Treasury will be the last hope of a distressed people. Upon it we must depend if all else fails. If the Nation's credit is further contracted, as there is real danger that this proposal would do, the depression might easily become much worse.

Before we adjourn it seems certain that some plan will be agreed upon to get the idle wheels of industry off dead center. I do not know what that plan will be, nor do I know whether I will approve of all of it. But whatever it is, it will represent the collective judgment of Congress in trying to meet a great emergency that affects every class and section of the country. It will cost money, either spent directly or loaned by the Federal Treasury. If the bonus bill is passed in advance of that, it will, I fear, make the latter impossible of enactment.

A widespread misunderstanding seems to exist with reference to the adjusted certificates. Under the law of 1924 the credit was based on number of days in service, to which was added 25 per cent. In the average case this came to \$500. This was treated as a single payment on a 20-year endowment life-insurance policy. In 20 years, at 4 per cent compounded, this bought a \$1,000 policy, payable in full to the veteran at that time, or, if he died at any time, in full to his widow. Meantime the Government had 20 years in which to accumulate a fund to meet these certificates or insurance policies in 1945. If in 1925, at a time when the country as a whole was prosperous, it was decided not to pay the \$500 in cash, how can we argue that in 1932 we should pay the full \$1,000 when the National Treasury has a deficit of \$3,000,000,000; when the wages of hundreds of thousands of Government employees, National, State, and municipal, are being slashed to balance the Budget of the Nation, the States, and municipalities of the entire country, and when the most onerous peace-time tax bill in history has been imposed upon a suffering people in order to preserve the credit of this Government?

Mr. Chairman, the gentleman from Texas has gone from one proposition to another. H. R. 1 called for raising the two and one-half billion by a bond issue. This is the proposition that the American Legion at its Detroit convention voted not to ask of the country at this time. He has abandoned that and now proposes to raise the money neither by taxation nor by borrowing, but by issuing Treasury notes. By so doing, he has bid for the support of those who would benefit by cheapening the dollar.

I am utterly opposed to tying up veterans' legislation with financial reform or monetary experimentation. I say this despite the fact that I myself believe that the dollar has become entirely too high and prices too low. It was for this reason that I supported the Goldsborough bill. But I do not think the two propositions should be tied together. I will tell you why. This bill will either cause inflation or further deflation. No one knows. The economists disagree. Disregard, if you wish, the economists employed by the big banks, by the Federal reserve. The fact remains that the leading advocates of the stabilization of the price level state that this is the worst way to go about it. Irving Fisher, for example says, "I am unalterably opposed to the Patman bill in principle." I do not know of any economist of national standing who favors it as a means of restoring the price level. But whether the soldiers' bonus bill will be a cure-all or bring ruin, I do not know. None of us know. I do not think the experts know. They are guessing on probabilities. The results are wholly unpredictable. They are dealing in futures.

If the bill brought benefit to the Nation, well and good. But suppose it did not. Suppose, as many say, it would, in these nervous times, cause a run on gold, a flight from the paper dollar, the hoarding of gold, both at home and abroad, the further contraction of credit, the closing of more banks, what then? Gentlemen, I say to you, as the friends of the ex-service men, that if this should be the unfortunate result, you would give the veterans of the World War a black eye before the American public which they would not recover from for a generation, if ever.

I do not want to subject the long term and legitimate policies of veterans' organizations—the care for the disabled,

the widows and orphans—to that hazard. Those who are willing to put them to that risk have more confidence in the infallibility of their powers of prophecy than I.

That is the way it looks to me. I may be wrong. But looking at it as I do I will not do anything that I conscientiously believe might permanently injure the true ends and long-view objectives of the veterans of this Nation.

It is by no means certain that the issuance of this money would start values upward. The great bulk of the money work of the country—90 per cent of it—is done by bank checks—by “deposit currency.” The relationship between checks and cash is like that between dollars and dimes. If—and I do not say that would be the result, because I do not know—but if the issuance of two and one-half billions of currency caused the further shrinkage of bank deposits from hoarding by an equal or even less amount, the whole thing would be neutralized or made much worse.

If, on the other hand, it did cause a rapid inflation, you have other soldiers and their dependents to think of. I refer to the 1,400,000 persons—pensioners of all wars, from the War of 1812 down, soldiers' widows, the disabled veterans, the orphaned children drawing the benefits of war-risk insurance. If the dollar fell rapidly and prices rose, the monthly checks of nearly a million and a half veterans and their dependents would buy less food, less coal, less medical care, fewer clothes than those checks are buying now. In other words, if this bill does what its advocates claim for it, you will take purchasing power from the aged veteran, the widows, and the soldiers' orphans in order to give purchasing power to the able-bodied. It seems to me that this is an additional reason for not tying together monetary reform with veterans' legislation. It is inevitable that such a result would not be helpful in the good relations that should exist among all beneficiaries of veterans' legislation.

It is true that the Owen amendment provides that for the \$2,400,000,000 currency issue an equal amount of 20-year 3½ per cent bonds are to be deposited with the Federal Reserve Board to be sold if prices rise beyond the 1926 level. It is evident, however, that if these bonds are sold and remain outstanding only to 1945—13 years—you then have added an interest charge of 13 years times 3½ per cent, or 45.5 per cent, or \$1,092,000,000. This added to the \$2,400,000,000 would make a total cost to the taxpayer of \$3,492,000,000 in 1945.

If the bonds are not retired for 20 years the interest charge alone would be 70 per cent, or \$1,680,000,000, or a total of \$4,080,000,000. That gives some idea of the possible cost to the Government and its taxpayers from the passage of this bill according to its own terms and conditions. And yet the gentlemen say that the issuance of \$2,400,000,000 of paper currency will cost us nothing except the expense of printing it.

I know how so many feel about saving Europe, about pouring in credit at the top, about the financial racketeers who proceeded with their stock split-ups, their market rigging, their blue-sky salesmanship to our inland banks and investors of worthless European and South American securities which went on unchecked and even encouraged in high places for a decade until it burst in ruin all over this country. It is the most shameless chapter of exploitation the world has ever known. It does not have my approval. I did not vote for the moratorium. I said at the time: “Who is going to balance our Budget?” The Reconstruction Finance Corporation has done some good. No one with a billion or two to spend could help doing some good with it. But it has not put men to work. I felt at the time that the same sum could have been spent to better advantage—in financing necessary work, public or private, that would immediately provide jobs or in advancing funds to the thousands of closed banks and building and loan associations so that men could have their own money to use and to spend. But that is over the dam. That much of our credit is gone. We are still in the woods and have not yet put a “chicken in every pot” or “two cars in every garage.”

And so, Mr. Chairman, for the reason that I feel that the payment at this time and in the manner proposed by this bill of \$2,400,000,000, the great bulk of which will not be

due until 1945, would further deplete our resources of credit and confidence, would further arouse our almost frantic taxpayers against any other measures, public or private, to finance jobs for the unemployed millions of this Nation—veterans and nonveterans—I am constrained to vote against this bill.

Lincoln, in his second inaugural, said that we should “bind up the Nation's wounds, and care for him who shall have borne the battle, and for his widow and his orphan.” This is my creed. Beyond that I hold that we must treat every American alike.

Mr. TREADWAY. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. McGugin].

Mr. McGUGIN. Mr. Chairman, I shall try in the brief time allotted me to discuss the three propositions which are set forth as justification for this bill. One, that it is a debt; second, destitution; and third, inflation.

If I should undertake to answer why it is not a debt, and should not be paid now, it would be utterly impossible for me to do it better than by using the speech of the gentleman from Tennessee [Mr. Browning], who spoke a moment ago, which appeared in the CONGRESSIONAL RECORD of January 29, page 2969. I quote in part from Mr. Browning's speech:

In view of these accomplishments I think Congress can justly say that in a large measure it has kept faith with the ex-service men of America. * * * A crisis was the reason for the creation of the class known as ex-service men. In that former crisis we gave instead of demanding. To cripple our Government when sorely pressed would be entirely out of keeping with the wonderful spirit that inspired our action in 1917-18, and I am afraid would tend to destroy some of the splendid reverence heretofore held for our service.

These were the words of Mr. Browning on January 29. Compare them with the words he uttered a moment ago.

Mr. Browning. Will the gentleman yield?

Mr. McGugin. No; I can not yield.

In 1925 Congress tried to meet this situation and agreed upon an average adjusted compensation of \$498 per veteran, which forms the basis of an average adjusted-compensation certificate of \$1,000. The reason the face of the average certificate is for \$1,000 instead of \$498 is on account of the accrued interest between 1925 and 1945, on the base amount of \$498 in 1925 for the average veteran.

The accrued interest from now until 1945 is not due and is not a debt in any sense of the word. The payment of the bonus debt at this time involves a billion dollars of interest that has not accrued, and the only apparent justification for advance payment of it is that Congress is willing to pay out a billion dollars of the people's money, which is not due, in order to hold a block of votes for the coming election.

Now, as to the question of destitution. Mr. Patman said here yesterday that there are a million veterans out of employment. Well, there are 9,000,000 citizens out of employment. Are you going to pay out well over \$2,000,000,000 in order to benefit 1,000,000 veterans in distress and leave 8,000,000 other citizens in just as great distress?

On the basis of Mr. Patman's statement of 1,000,000 out of 4,000,000 veterans in distress, are you going to pay three men who are not in need because one is in need? Are you going to use one poor distressed veteran as a smoke screen for the excuse of paying three of us who do not need it?

There are some 60 or 70 of us veterans who are Members of this House. Should the Government pay us 13 years of unaccrued interest on our adjusted-service certificates, which interest is not due, and permit destitution to be the excuse? In my own case I hold a certificate for \$1,580. On the basis of \$1 a day for home service and \$1.25 a day for foreign service, something like \$680 was due me. The accrued interest on that amount by 1945 makes my certificate worth \$1,580. My certificate of principal and accrued interest to date is not, under any reasonable process of figuring, worth over \$850 to \$900. I can not under any process of reasoning bring myself to believe that I am now entitled to this \$600 of unearned interest. Least of all can I do it in the name of millions of distressed unemployed people in this country.

What I have said here of myself is equally applicable to every other veteran who is employed. Again I call your attention to the fact that, according to the statement of Mr. PATMAN, the father of this bill, there are only 1,000,000 veterans unemployed, which leaves more than 3,000,000 veterans who are employed and therefore not in distress.

If this is to remain a Christian Nation, of course the 1,000,000 veterans must be given an opportunity to live. In my judgment we are not going to spend millions but hundreds of millions of dollars during the next 10 or 15 months to alleviate human distress and suffering. Such a program must not be confined alone to the veterans. Destitution is not alone confined to veterans, and therefore relief for destitution must not be confined to veterans, especially when such a relief program includes paying interest not yet due to three veterans who are not in distress to every one who is in distress. What about the child who was born yesterday to a destitute mother? What about the aged and decrepit who in the closing days of their lives are suffering the pangs of hunger? If we pass this bill in the name of destitution, taking care of 3 who are not in need, thereby caring for 1 who is in need, and pass by 8 others who are in need, then this becomes a cruel bill rather than an act which is humanitarian.

Mr. Chairman, with the burden which is ahead of this Government to aid and assist millions who are in distress, this is no time for the Government of the United States to spend more than \$2,000,000,000 of the people's money under the guise of human relief when in truth and in fact three-fourths of this money goes to those who are not in want.

As regards the question of inflation, I can not believe that it is safe for Congress arbitrarily to inflate the money of this country to the extent of \$2,000,000,000 for the benefit of a class. If we inflate for the benefit of one class, we must extend the same blessing to any one of a half dozen classes in this country. We must do it for agriculture, which is being foreclosed and sold on the block. It will take a minimum of \$9,000,000,000 to relieve agriculture. We must grant the same blessings to the 9,000,000 unemployed people in this country. We must bestow the blessings of inflation to the millions of city home owners whose homes are being foreclosed. All of this means upward of \$20,000,000,000. When the inflation is started and the people of this country become obsessed with the idea that the Government can lift the burden from the backs of the people by the magic process of printing money, we may just as well set the limit not at \$2,400,000,000, as provided by this bill, but around \$20,000,000,000. No one will suggest that the money of this country could be inflated at any such a proportion without bringing financial chaos and human despair such as we have not yet known.

If we can meet Government obligations by the simple process of printing money, why should we have passed the revenue bill and picked the pockets of every citizen of the country down to the child buying chewing gum; the mother buying postage stamps to send a letter to her son, who is stranded among strangers; and penalizing the poor man when he writes a check to pay his grocery bill; and further taxing every bankrupt farmer for every gallon of gasoline he pours into his tractor?

It would have been so much better to have issued a billion dollars' worth of bonds and then issued currency against them if the plan in this bill is sound. If we can meet Government obligations by issuing bonds, then issuing currency against the bonds, then, Mr. Chairman, what a wrong was perpetrated upon the American people by Washington, Lincoln, Roosevelt, and Wilson. They all bled the people for taxes in order to support the Government. It would have been so much easier to have issued bonds, then issued currency against the bonds, except that those patriots knew that that plan, which is the plan set forth in this bill, would be a fraud upon the country.

It has been suggested that there is magic to this plan because the money will be scattered throughout the length and breadth of the land, yet none the less it goes to less than 4 per cent of the people. If the plan of issuing bonds and

then the plan of issuing currency against them is sound, would it not have been more equal distribution and greater wisdom to have met our obligations by this plan rather than passing the revenue bill, which collects toll from every man, woman, and child in the United States? Since when is it greater wisdom and wider distribution to pass out money to 4 per cent of the people located in every section of the country than it is to refrain from reaching the hands of the Government into every pocket and taking money which is sorely needed for the maintaining of the family? [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield three minutes to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, yesterday I voted for the resolution allowing debate on the so-called bonus payments because I believe it is the sensible and patriotic thing to do. I believe we should have this discussion to-day in view of the critical condition of the country at the present time. Free, frank debate may clear the surcharged air. But I shall vote against the second paper money Patman bill. I shall vote against the Owen amendment and against any bad or cheap money scheme, any fiat, or printing-press, money or free-silver scheme. I shall vote, if given the opportunity, for a straight, honest, honorable Federal bond issue, which has been the manner by which we have paid many of our debts in the past.

I should be much pleased to vote for the Kleberg beer and bonus taxation bill, which Mr. KLEBERG will propose tomorrow, and I indorse Mr. COCHRAN's arguments to-day for bonus-beer taxation.

This movement for payment in full of the adjusted-compensation certificates immediately arose in my city.

DETROIT FAVORS PAY NOW

Detroit, and particularly my district in that city, has registered very strongly in favor of the immediate payment in cash of the adjusted-compensation certificates of World War veterans. There have been some individual expressions of Detroiters against immediate payment, but they have been drowned out by the almost unanimous roar of approval from organizations and individuals.

The Common Council of the City of Detroit, which is fully authorized to speak for the city, passed unanimously on February 16, 1932, a resolution calling for immediate payment, and this resolution was specifically addressed to myself and other Michigan Representatives in Congress, and we were requested to give favorable consideration to Patman bill, H. R. 1, which provides for immediate payment in cash of certificates through appropriations, but not through "fiat" money.

In the last Congress Mr. PATMAN's bill, H. R. 3493, provided only for a straight bond issue.

The common council advocated payment as a—

Measure of relief to the many veterans of the city of Detroit, as well as elsewhere, who are in serious need and whose heroic services during the World War entitle them to the most favorable consideration.

The State senate, after full consideration, on April 12 of this year, passed the Gansser resolution requesting immediate payment.

The vote was almost unanimous—29 to 1—and was also passed as a relief measure—

To provide money for paying taxes and rent, buy clothing and shoes; pay accumulated debts; provide better food and the like, thereby putting several billion dollars into immediate circulation for stimulating business nation-wide.

VETERANS DEMAND PAY

Most veterans' organizations in Michigan have declared for the immediate cash payment.

The Michigan State convention of the American Legion at Pontiac, July 1 to 4, 1931, voted in favor of immediate payment of the certificates.

It is true the American Legion national convention at Detroit last fall did not declare for immediate payment and took an adverse stand, but the Wayne County American Legion of about 52 posts, including all of those in Detroit, since that time has declared for immediate payment.

Other veterans' organizations, such as the Veterans of Foreign Wars, the Disabled Veterans' Organization, and the Veterans' Political Association in Detroit and Wayne County are 100 per cent for the payment of the certificates in full in cash immediately.

Powerful newspapers in Detroit have been advocating the cash payment in full of the certificates immediately.

Many civic, political, and business organizations have passed resolutions along the same lines.

SOME INDIVIDUALS OPPOSE

I do not recall that any organizations in Detroit have passed resolutions against the immediate cash payment of the certificates and do not believe that any have done so, although I have been notified that a few individuals in Detroit are opposed to payment immediately.

Detroit has been hit harder by the world-wide depression and panic than any other American city. It is peculiarly a manufacturing and world-trade city; and with the collapse of trade and industry Detroit, which was formerly the most prosperous city in America, the wealthiest city per capita, the city with the highest standard of wages and the highest standard of living, was stricken as if by all the Biblical plagues of Egypt.

HOW DEMAND AROSE

It seems to be true that there are more veterans in Detroit per capita than in any other city of the country. Many veterans were inclined to roam after the war, and as Detroit paid the highest wages and offered the most attractive living inducements, thousands of veterans who formerly lived in other States and communities came to Detroit.

When thrown out of work for a long period, they finally found that the only asset left to them was their adjusted-compensation certificate.

The Government allowed them certain loans on the certificate at a cruel rate of interest, 6 per cent, compounded; thus if between 1924 and 1931 the veteran borrowed between 20 per cent to 25 per cent of his certificate, he found that the 6 per cent interest compounded ate up the remaining three-fourths of his certificate.

The Government borrowed at low rates of interest and loaned to the veteran at high rates of interest. National Commander Stevens, of the American Legion, recently called this racketeering and profiteering of the worst sort, which it truly was.

INTEREST RACKETEERING

I was the first Member of Congress to protest against this unfair interest rate and took up the question at the American Legion national convention in Boston in 1930 and secured through the Michigan delegation the passage through the convention of a resolution calling for 4 per cent interest. Congress responded by cutting the interest from 6 per cent to 4½ per cent. This meant a saving of hundreds of millions of dollars to borrowing veterans.

In 1931 Congress increased the percentage which a veteran might borrow on his certificate to 50 per cent, but the 4½ per cent interest compounded would still eat up the balance due the veteran on his certificate before 1945.

I believe that these are the prime reasons for the movement among the veterans for cash payment immediately: First, the great distress of over a million veterans, and the fact that they could not pawn or borrow any more on their one remaining asset, namely, the adjusted-compensation certificate, amounting in most cases to several hundred dollars. Second, the veteran found himself caught in the clutches of the money lender by borrowing the 50 per cent, and then found that the 4½ per cent interest compounded ate up by 1945 the remaining 50 per cent, and he demanded cash payment to save his balance.

Now, let me sum up. The majority of the expressions of individuals and organizations in Detroit are strongly in favor of the payment in cash immediately of the certificates. Secondly, many of the veterans are driven by necessity to fight for the cash payment, and nearly all the other veterans who are not in dire need are sympathizing with and standing by their buddies.

CLASHING PATMAN BILLS

But now let me make clear a peculiar situation; that is, a division in the ranks of those who are fighting for cash payment of the certificates immediately.

At the opening of Congress last December Representative WRIGHT PATMAN, of Texas, introduced H. R. 1, providing for the payment of the adjusted-compensation certificates in cash immediately, through appropriations.

For reasons best known to himself, he changed his attitude the next month, and on January 14, 1932, he introduced a revolutionary bill entirely different in principle from H. R. 1, known as H. R. 7726. This latter is known as the fiat money bill, or as a bill which turns loose the printing presses of the Treasury Department to turn out a vast sum of money not secured as fully as all United States money issued before by proper gold reserves.

CHANGING MONEY STANDARD

Thus, Mr. PATMAN traded the rights of the veterans to full cash payment immediately of their certificates for an entirely different proposition, something infinitely more vast and complicated; namely, the changing of the money system of the United States.

His bill plainly tampers with the United States dollar and its value at home and abroad. He boldly recommended an inflated money scheme and shifted from one battlefield to another.

So far as I know, Mr. PATMAN did not take into his confidence when he made the revolutionary switch from one bill to another any considerable number of the Members of Congress who had been favoring for a couple of years a straight Federal bond issue or payment through appropriations, such as his H. R. 1 provided.

I OPPOSE FIAT MONEY

Certainly Mr. PATMAN did not consult me. I have always been opposed to unreasonable issues of paper money and I have always been opposed to free silver and such other inflationary money schemes.

I believe they spell disaster to the country and that such radical steps are not justified at this time in particular. I am emphatic in my belief that Detroit, which is particularly a manufacturing and world-trade city, would be immeasurably damaged by such a violent dislocation of United States money standards. I believe it would upset our domestic and foreign trade.

I am informed that when Mr. PATMAN appeared before the House Rules Committee recently to urge consideration of H. R. 7726 and inflationary amendments to it, such as the proposal of former Senator Robert Owen, he boldly stated that now his main purpose was not primarily to secure payment in full in cash immediately of the veterans' certificates, but to back a grander and more ambitious scheme, namely, a change in our money system which he hoped would bring about tremendous reforms in economic conditions throughout the country.

Unfortunately, the hearings before the Rules Committee in which Mr. PATMAN made this alleged statement were not printed, but I am informed by Mr. MICHENER, of Michigan, a member of the Rules Committee, that he made practically this statement.

It can be clearly seen that in the new Patman bill, H. R. 7726, which he substituted for H. R. 1 on January 14 of this year, there are two distinct purposes involved: First, the payment of the certificates in full in cash immediately; and, second, the changing of the standard of value of the American dollar.

One of the objects of the latter, of course, is the same as that of free silver or any fiat-money scheme, namely, to help the debtor class.

VETERANS LOSE BY FIAT MONEY

But the Patman scheme and the Owen scheme are two-edged swords. In the case of the veteran, he is the creditor and the Government is the debtor; and if these fiat-money schemes are aimed to help the debtor, they are aimed to help in this case the United States Government. Therefore, if the Government pays the veteran's \$1,000 certificate with

a dollar which is worth 50 cents, 60 cents, or 70 cents, the Government really pays the veteran only \$500, \$600, or \$700.

Mr. LA GUARDIA, of New York, was acute enough to analyze this situation, and yesterday he stated on the floor of the House that the veteran would not be paid the full value of his certificate with an inflated dollar.

It was strange to see Mr. LA GUARDIA and Secretary of the Treasury Ogden Mills, natural antagonists in fiscal matters, in agreement on this point, because Mr. Mills said before the Ways and Means Committee in testifying on the Patman bill that it provided for "a dishonest dollar." If the veteran is paid his certificate through a Federal bond issue, he gets \$1,000 for a \$1,000 certificate instead of the much lesser amount under the fiat scheme.

THE GOOD BEER BILL

If the veteran is paid through the Kleberg or Cochran bonus and beer for taxation amendment, he also gets \$1,000 for a \$1,000 certificate.

If the veteran is willing to compromise and take \$500 or \$600 or \$700 for a \$1,000 certificate, then I am quite confident a bill could be passed through Congress with the approval of the administration, settling the billions of dollars of claims through the veterans' certificates on the 50 per cent or 60 per cent or 70 per cent basis of the full value.

It would be a good bargain for the Government, because the Government and the taxpayers would save hundreds of millions of dollars and the so-called bonus cause would no longer be a football in national politics.

Of course, the boosters for the Patman bill claim that it is not fiat or printing-press money, such as that which ruined Germany and Russia and other countries which tried fiat money; but, as Mr. CELLER, of New York, pointed out to-day on the floor, the Patman and Owen fiat money is not redeemable in gold or silver, and, as Mr. CELLER stated, the definition of fiat or printing-press money the world over is that which is irredeemable in gold or silver.

LITTLE NELL CHANGES

The plan to have the adjusted-compensation certificates paid in full in cash immediately arose in Detroit. Little Nell was born in Detroit. We knew her as a straightforward girl when she appeared as a straight Federal bond issue, but we do not recognize as the same person the hussy who is now held out to us in the form of fiat or printing-press currency which is to redeem many other classes of people in the United States aside from the veterans.

Little Nell was sold "down the river," and now look how she has changed.

NO FREE SILVER

My city stands unalterably for sound money and the present standard dollar. We were violently opposed to Bryan's free-silver project which came in the middle of the panic of 1893-1898, and Detroit gave a large majority against the scheme in the elections of 1896.

We stand for sound money and we resist in times of panic schemes of other sections of the country to have unsound money or cheap money foisted upon us.

ABOLISHING GOLD STANDARD

Indeed, one of the chief backers in the House of the Patman scheme told me that the country would never be prosperous until it is thrown off the gold standard. In Detroit we think the abolition of the gold standard would bring a panic and a period of terror such as we have not yet witnessed. It would throw us out of the frying pan into the fire.

The gold standard is prescribed by law of Congress passed in 1900. If fair and honorable, you would have to change this law and before Congress could go through the process and change it, every individual who had currency or bonds or contracts payable in gold would seek to retain them in gold before the supply was exhausted. A run would take place and credit would collapse. Why use fiat money to throw the country off the gold standard?

Not only are most of our public bonds payable in gold, but most of our private bonds of American business are payable

in gold. Many mortgages are payable in gold as are many contracts. All holders of these would be injured because gold would be more difficult to get.

All depositors, domestic and foreign, of course, would try while the legislation is being discussed in Congress to withdraw their gold deposits for they could exchange them later for several times their present value in dollars when the devaluation took place.

The situation is not now so terrible and hopeless that we should now hazard this dangerous experiment. We should not rock the boat.

All the tremendous reconstruction measures passed by Congress recently should have an effect to decrease unemployment and bring back prosperity.

AN UNJUSTIFIABLE SWITCH

In conclusion, it is most unfair to make the extremities of the veterans a cloak to change drastically our money system.

The sad part of the switch of Mr. PATMAN from H. R. 1 to H. R. 7726 is that the latter stands absolutely no chance of success, since it is a fiat or printing-press money scheme.

H. R. 1, as an appropriation bill, stands a better chance of passage by Congress, but yet it can not become law in the present Congress.

The Senate will probably not pass it. The President declares he will veto it.

The necessary two-thirds majority can not be obtained in the House or Senate to pass any full payment bonus bill now.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. RAGON. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. ESlick].

Mr. ESlick. Mr. Chairman, as a member of the Committee on Ways and Means it was my pleasure to support the Patman bill embodying the Owen amendment. The magnificent address of my colleague, Captain BROWNING, of Tennessee, presents my own views and my thought upon the financial end of this question more eloquently than I can present it. I want to talk about another element and feature entering into this debate.

I listened to my leader and chieftain the gentleman from Georgia [Mr. CRISP], with whom I seldom agree. I listened to the distinguished gentleman from New York [Mr. FISH], and he and I did agree in our red chase over the country, and that is about the only agreement we have had. I looked into the face of these two men as they stood here telling of the glories of the soldier. They were willing to pay him, but Shylock's bond was not yet due. They were all ready to pay. The soldier was great, he was good, he was glorious, but the bond was not yet due, and Shylock stood there and said, "Hands off," when it came to payment. May I not say to the gentleman from Georgia and the gentleman from New York that we have had other obligations. This may mean a revision of this contract. Did we not have the French and Italian debt-settlement bond to pay us money with 5 per cent interest, and when it came to a revision of these contracts you gentlemen, shoulder to shoulder, took from the par value of 100 cents and settled with Italy at 24 cents on the dollar, and with France at 46 cents on the dollar. You do not believe in revision now, but you revised to give away billions of the American taxpayers' money, and did you add a postscript to it in revising again? Did you know it would be necessary in 1931 to declare a moratorium and withhold from the Public Treasury \$252,000,000 of the people's money? That is not all.

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. ESlick. Yes.

Mr. CRISP. Does not the gentleman know that that money was loaned during the war to keep their armies in the field, and when they refused to pay we had to make the best settlement we could; that the only way to collect it if we did not do it was to send an army over to collect it?

Mr. ESlick. That may be true, and these boys were there to protect the flag that your Government might live.

Mr. FISH. Mr. Chairman, will the gentleman yield for a question?

Mr. ESLICK. Oh, I can not give up all of my time. Then there is another thing. When your Government and the States granted charters to railroads and corporations of the country, did you have any provision that when bankruptcy looked over the hills you would rush into the American Congress and form a \$2,000,000,000 corporation that you might save them from insolvency? You dipped your hand into the Federal Treasury and you took \$500,000,000 from it and you based a credit with the Government, and the Treasury to-day is the sole purchaser of the obligations of the Reconstruction Finance Corporation—\$2,000,000,000 to uphold these great corporations. Gentlemen, you were willing to reform these contracts, but when the American soldier comes you were unwilling to reform his contract and pay a hungry and a needy man. Oh, you tell me how good you have been to the soldier. Yes; you worked him at a dollar a day with a \$10 civilian beside him, and when you discharged that civilian you gave him a bonus of \$240, and the soldier \$60—not enough to buy him a new suit of clothes and a clean pair of socks.

This is the history of it. I am told what other countries have done. England gave her men a bonus of \$1,427; Belgium, \$492; Canada, a private \$600 and officers \$972; France, \$249; and Uncle Sam, the richest government in all the world, gave \$60, with an I O U "that I will pay you 27 years after Armistice Day."

But, Mr. Chairman, I want to divert from the sordid. We hear nothing but dollars here. I want to go from the sordid side—

(At this point Mr. ESLICK collapsed and was carried from the Chamber by his colleagues.)

Mr. RAGON. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, I had intended to make reply to the argument of my devoted friend, the gentleman from Tennessee [Mr. ESLICK], who has just left the floor. Of course, under the circumstances, I shall, as far as possible, make no reference to anything he may have said, and whatever I do say I wish to be understood it is prompted by the arguments of other gentlemen who have participated in this debate. Gentlemen say that the adoption of this bill will impose no burden upon the taxpayers of the country. I am wondering, Mr. Chairman, from whence comes this Ceresus that is to bestow \$2,400,000,000 upon the American Government. I have always been taught and have so understood that for every dollar the Government spends that a dollar is collected from the people by taxation. It is not true, Mr. Chairman, that this Government has been niggardly in its treatment of the soldiers. It is not true that this Government to-day owes the ex-service men \$2,400,000,000 that it will not pay. This Government never has since its formation defaulted upon a single obligation. It has not defaulted in this particular instance.

The gentleman from Nebraska [Mr. SIMMONS] made reference to the treatment accorded the soldiers by other powers participating in the great World War. By way of illustration, and further by way of supplementing what the gentleman said, let me call attention to what has been done by other powers that participated in the war. The United States mobilized 3,400,000 soldiers. Three hundred and sixty thousand of them were killed or wounded. Of our appropriations there is 26.1 per cent of the Budget that goes to the ex-service man. The appropriation for the present year carries \$1,072,000,000 for him.

Great Britain mobilized 6,600,000 men. There were 3,000,000 killed and wounded. The appropriation that she makes for this year for all of her war obligations to her service men and their dependents is \$185,457,280, or 5.8 per cent of her national budget.

France mobilized 8,410,000 men. There were killed and wounded 5,500,000, and for this year her appropriation for the care of her soldiers and their dependents is \$286,722,000.

Germany mobilized 8,410,000. There were killed and wounded 5,500,000 men. The appropriation for the soldiers and their dependents for the present year is the equivalent of \$286,722,000, less than one-fourth the amount appropriated by the United States.

Great Britain, Germany, France, Italy, and Canada mobilized 34,190,360 men, and their total appropriation to meet obligations to their men and dependents arising out of the war is \$891,190,360, 10 per cent less than that of the United States for like purpose. In the light of these facts, what becomes of the accusations of mistreatment of her soldiers made against our country?

It is not fair to the soldier and certainly it is not well for the country that he should be so grossly misinformed. He ought to be given the truth, that he might understand the meaning of what he has been led into. He does not want, or should not want, to impose upon his Government. He, in fact, is not responsible for this bill being here. He has simply permitted himself to be deceived and now is being used for somebody else's good. We all sympathize with him, but we must keep our balance in the interest of saving the country and protecting the rest of the people against the abuse carried in his demands that are embodied in this bill. This is a Government of all the people, and all the people, as a rule, love it and want to serve it, but it can not last long if we continue much longer in the direction in which we are going.

Mr. TREADWAY. Mr. Chairman, I yield three minutes to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Chairman, I regret exceedingly that I can not conscientiously support this legislation. It is little wonder that the American people who support this Government believe that the American Congress is inconsistent. We have saddled on the backs of the American people a tax measure involving \$1,100,000,000, containing the most obnoxious nuisance taxes that have ever been levied in peace times. If we can issue bonds, why is it necessary to further discourage the revival of business that employs labor by increasing the tax burden? Why did we not issue bonds instead of passing the obnoxious tax bill? Oh, they say, "This does not cost anything." If they must sell these bonds in order to make the dollar of the value of 1926, they must pay interest on the bond. Not only that, we are paying interest for a 12-year period until these adjusted certificates come due.

Mr. SCHAFER. Will the gentleman yield?

Mr. MOUSER. I can not yield now.

We tried to balance the Budget one day and unbalance it five days afterwards. It is little wonder that the American people, who are burdened by taxation to-day, say that the American Congress is inconsistent.

Mr. SCHAFER. Will the gentleman yield?

Mr. MOUSER. I can not yield now.

If we are going to help the unemployed, let us help all of the people. Everybody could not go to war in 1917. The men who stayed at home and supported their families were just as patriotic in taking care of those who would have been a public charge had they not supported them.

I regret that I can not support this legislation. I have always voted in the interest of the veterans and their dependents, but it is ill timed now to pick out any body of citizens by class and give them preferment when there are 8,000,000 heads of families in this country who are out of employment and in need. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. RAGON. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I realize the discussion to-day will change very few votes, because this matter has been argued for several weeks before the Ways and Means Committee and has been discussed very thoroughly among Members.

I am going to afford myself of this opportunity, due to the fact that Mr. JOHNSON, the gentleman from South Dakota,

several days ago, out of order because he was going to be absent for the convention, made the statement that he absolved himself of all responsibility for any injuries, sickness, or suffering caused by reason of the bonus march on the Capitol. The responsibility for any sickness, injury, and so forth, caused by the soldiers having made this pilgrimage to Washington rests upon those Members, the leaders of this Congress, who have deliberately delayed the consideration of this measure notwithstanding the fact they realize a majority of the Members of this House, as was shown yesterday in the vote, are in favor of its passage.

Although I am one of the many new Members of this Congress, in arguing with the older Members who are the leaders here, I have always been told that it is not right and it is not proper—it is not the theory of the House that a minority should obstruct a majority. But, gentlemen, throughout this session of Congress we have beheld the unholy spectacle of these same gentlemen deliberately obstructing this progressive piece of legislation which is in the interest of all the people of the United States; and the gentleman from South Dakota is a member of this minority. Congress itself is responsible for the soldiers coming here, because the veterans realized Congress was stalling and was not giving this measure, which was so vital to them and to the entire country, the proper and fair consideration it deserves. Some of the newspapers have tried to tag the bonus march on Washington as being a communist march; but the soldiers, as they did in 1917 and 1918, when they fought for their country, by their actions now have upset that argument entirely.

There are five reasons why I am particularly anxious to pay the adjusted-compensation certificates in cash now:

First. That morally this obligation is due now; had the Government paid the veteran interest from 1917 and 1918 when the services were rendered, instead of dating that interest as of 1925, and had the Government not deducted from the base compensation the \$60 which the soldier was entitled to as compensation for the clothes that the Government took from him when he enlisted, and were the Government to pay the rate of going interest which the veteran has to pay, instead of the amount that an endowment policy from a private insurance company would earn, then the adjusted-compensation certificates would be due now.

Second. If we do not pay them now, those who have borrowed one-half the face value will have nothing to collect in 1945; in fact, they will be owing money to the Government.

Third. Because the payment now, under the Patman-Owen plan for controlled expansion, will tend to bolster up commodity prices which is the first essential of normal prosperity and will provide badly needed direct relief which will be equally distributed.

Fourth. Due to the fact that credits have been contracted we must expand our currency or resort to bartering as our forefathers did.

Fifth. Because the payment will not cost the taxpayers one additional cent.

Gentlemen, here is a direct challenge to your sincerity. Here is an opportunity to pay a just debt to loyalty and sacrifice.

The passage of this bill will not in any way impair the credit of the United States. On the other hand it will do an enormous amount of good, not only to the veteran, but also to the farmer and workingman because of the fact that there will be a resultant rise in commodity prices. [Applause.]

Mr. CRISP. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, I voted for the discharge of the committee and for the rule providing for the consideration of the bonus, or adjusted compensation bill, believing that those who favor this legislation were entitled to have their day in court and an opportunity to present their cause and get a vote on their bill. However, I can not vote for the measure without doing violence to my conscience and my judgment.

Three million six hundred and seventy-five thousand one hundred veterans received adjusted-compensation certificates, of which 131,355 have been matured by the death of the veterans, which leaves outstanding 3,543,745 certificates held by that number of veterans. The Government has granted loans to 2,567,367 veterans. It is estimated that banks have made advancement on 150,000 additional certificates, making 2,717,367 certificates on which loans have been made. This leaves 826,378 veterans who have borrowed nothing on their certificates, from which we are justified in assuming that they are not in need, or are probably employed, or have other resources, and therefore are not interested in this legislation. The average face value of the adjusted-compensation certificates is approximately \$1,000, and so by this bill you propose to pay \$826,000,000 to 826,000 veterans who do not need and have not requested such payment.

Assuming that all veterans who have borrowed on their certificates are in distress, this bill proposes the payment of \$2,400,000,000 for the relief of 2,717,367 persons, which is less than one-fourth of the number of unemployed men and women in America, or a little more than 2 per cent of our entire population.

According to the last report of the Secretary of the Treasury, the total money in circulation in the United States on June 30, 1931, was \$4,821,933,293, or \$38.86 per capita. The Patman bill calls for the payment of one-half of the total money in circulation in the United States to less than 3 per cent of our population. Under the Patman bill \$19, or one-half of the present per capita circulation, would be required to redeem these certificates at the present time.

But it is proposed to start the presses and print \$2,400,000,000 of new money to redeem these certificates, and to authorize the issue of a like amount of Government bonds when this flood of new paper money inevitably results in an abnormal and dangerous inflation. I am convinced that this plan would debase our currency, discredit our financial system, and cut in two, or reduce one-half, the value of the dollars the veterans would receive in exchange for their certificates.

I would like to give the veterans what they want. No one has more appreciation of their courage, patriotism, and sacrifices made for their country and civilization. They are entitled to the eternal gratitude of the American people. I will go as far as any red-blooded American in providing for the hospitalization, compensation, and relief of every veteran who is disabled. While these certificates are not due until 1945, I had intended to vote for their cash payment so as to aid the veterans in this emergency, and for all time to dispose of the bonus problem. But economic conditions are much worse than even the most pessimistic supposed, and are constantly getting worse. If the financial condition of the country would permit, I would gladly vote to redeem these certificates, because they are legal obligations of the Government, and I for one think the sooner the Government wipes the slate and gets rid of this exceedingly vexatious and explosive question the better it will be for all parties concerned. For these reasons I favor payment of the bonus; but not now, because the desperate condition of the country argues eloquently for delay until the frightful pall of depression is lifted.

Moreover, there is absolutely no chance for this bill to become a law at this session. I concede that it will pass the House, but no well-informed person in Washington believes that it will pass the Senate, but if it should, it will undoubtedly be vetoed by President Hoover, who has issued a public statement that if Congress passes this bill he will veto it. So you are having all of your work for nothing. I think the Members who are pushing this bill know the President will never approve it and that it can not be passed over the presidential veto. So why not be frank with the veterans and tell them that there is no chance for this bill to become a law at this session, because if it should pass both Houses the President will veto it when it reaches the White House. Why keep the veterans in suspense and in a state of expectancy when you

know there is no chance for this bill to become a law at this session?

I have no quarrel with my colleagues who are supporting this measure. I concede to them the same patriotism, the same devotion to country, the same desire to do the right thing which I demand they accord to me.

My sympathies from childhood have always been with the unfortunate and the distressed. My sympathies have always been and always will be with the veterans who followed our flag, bore the burden in the heat of the day, and who made a sacrifice it would be difficult to overappraise. But under present conditions in the United States I do not believe that this measure should be enacted at this time. This bill involves the payment of \$2,400,000,000 to less than 3 per cent of our population.

We are in the midst of an unprecedented depression. Practically every vocational group is on the verge of disaster. Our mills and factories are closed because there is no market for their products. Eight or ten million men and women are idle, walking the streets, seeking employment, and begging for bread. Stagnation clogs every avenue of business. The buying power of 75,000,000 people has either been destroyed or substantially reduced.

Agriculture has been broken on the rock of insolvency, and the American farmers are rapidly being reduced to penury and drifting toward a condition of peasantry. Thousands of banks have either closed their doors or are unable to perform their usual functions or extend credit to their customers. The Treasury of the United States is practically bankrupt notwithstanding its receipts amount to approximately \$4,000,000,000 annually. Under the Hoover administration taxes have been tremendously increased, although the present tax load is excessive and unbearable.

Our National Budget was \$900,000,000 out of balance June 30, 1931, but Hoover and Mellon were as still as a mouse about it, and not one person in 10,000 ever heard about the \$900,000,000 deficit which the administration paid by issuing bonds. The deficit for the fiscal year ending June 30, 1932, will be approximately \$3,000,000,000, and to balance the books and defray its ordinary expenses for the last 12 months, the Government has been compelled to borrow approximately \$3,000,000,000 in addition to our enormous national income. Do the American people realize that for the last nine months of the Hoover administration the Treasury Department has been borrowing on an average \$300,000,000 monthly? When the Government is running \$10,000,000 in debt every day it seems to me that we should hesitate a long time before assuming the immediate payment of an additional \$2,400,000,000 on account of these certificates.

No matter what your views may be as to the propriety of having originally issued these adjusted-compensation certificates, we can not escape the fact that they were issued and are a legal obligation of the Government, though, by their terms, not payable until 1945. Now, if conditions were normal, if we were not in the midst of an unprecedented depression with no prospect of an early improvement in economic conditions, if the agricultural, industrial, and other vocational groups were enjoying even a moderate degree of prosperity, if our national income had not shrunk tremendously, if the revenues of the Government would furnish funds to meet this obligation, if the economic forces of the Nation were not paralyzed, if the people were able to pay additional taxes, if a safe and sane method of meeting and discharging this obligation were presented, one which would not involve us in more troublesome economic complications, then I would vote to redeem these adjusted-service certificates with cash, not only to help the veterans but on the theory that these certificates will have to be paid some time, and the sooner we pay and get them behind us, the better it will be for the Government and all parties concerned.

However, under present conditions I am convinced that the enactment of the pending bill and the immediate payment of the bonus will strain to the breaking point our financial and economic structures. To my way of thinking the issue of paper money and Government bonds to the

amount of \$2,400,000,000 to liquidate these bonus certificates will seriously threaten the integrity, efficiency, and usefulness of our financial system, unsettle business, strain, or perhaps wreck our security market, breed distrust, intensify existing timidity and fear, discredit and debase our currency, and drive our capital into hiding to such an extent as to paralyze productive industry and halt, or indefinitely delay, the return of normal conditions.

I am convinced that conditions will continue to get worse unless and until the buying power of the common people is restored, which can only be done by a stabilization of the market price of commodities on a higher level, especially farm products, that will not only return the cost of production but a reasonable profit over and above such production costs. The pending bill will not produce a natural, normal, or helpful expansion of our circulating medium, but a quick, mushroom, high-pressure inflation, the after effects of which will, in my opinion, be injurious to the country.

I am opposed to an inflation of our currency, but I favor a gradual and controlled expansion, which is a delicate undertaking and should not be attempted by rash or indirect methods, or under the guise of liquidating the obligations of the Federal Government to the World War veterans.

The gentleman from Tennessee [Mr. BROWNING], whose ability and accomplishments as a legislator I admire and respect, stated that the payment of the soldier bonus was only an incidental purpose of this legislation and that its main objective is the \$2,400,000,000 expansion of our currency. If such expansion is necessary or desirable, why resort to this circuitous method? Why not present a bill, the avowed purpose of which is to bring about this expansion? A healthy, helpful, and permanent expansion of the currency and a consequent increase in commodity prices can not be brought about by the hocus-pocus, willy-nilly process proposed in the pending bill.

Moreover, I think this bill, if enacted, will hurt more than help the World War veterans as a class. It is unfortunate that this legislation is presented at a time when financial and economic conditions make it practically impossible to grant the veterans the desired relief. This legislation runs counter to public opinion. It is inopportune. If enacted, it will generate a spirit of hostility which I fear will be reflected in legislation making a drastic reduction of benefits to disabled veterans. There is a nation-wide sentiment in favor of dealing generously with all veterans, and with double generosity with those who are disabled. But there is a limit to the tax load which the American people can carry, especially in times like these.

If you should secure the enactment of this law, the reaction and aftereffects will not be beneficial to the veterans. Its enactment will augment the rapidly growing opposition to our present liberal policy toward our war veterans and their dependents. I hope this will not be the result, because this Nation can not afford to be parsimonious in dealing with those who were disabled in the service. But if the demands of those who hold the adjusted-service certificates are unreasonable and excessive, there will be a revulsion of public opinion, which might force a too-radical and drastic reduction of compensation benefits. If the credit of the Government is strained to the breaking point to redeem the adjusted-compensation certificates, the Government may be compelled to reduce hospitalization, compensation, and disability benefits, which would work a hardship on the disabled veterans and their dependents. I am sure the non-disabled veterans who hold adjusted-service certificates will not insist on the immediate cash redemption of their certificates if such action would directly or indirectly cause a reduction in the hospitalization and compensation benefits of their comrades who are disabled. While not so intended by the holders of the adjusted-service certificates, I am convinced that the immediate payment of these certificates will work an injury to their disabled comrades.

If I can read the signs of the times, I make bold to say that, in my humble opinion, the holders of these adjusted-service certificates are crowding the American people a little too hard and too far, and are thereby injuring their own

cause and making it more difficult for them to obtain adequate hospitalization, compensation, and disability benefits in the future. The full force of this reaction will fall on the disabled veterans and their dependents who are now the beneficiaries of the Nation's gratitude and generosity.

I have been a champion of just, liberal allowances to our veterans. I am their friend, and a true friend will unflinchingly stand by you when you are right and will tell you frankly when you are wrong, or about to adopt a policy which will be harmful to you in the future. I am trying to look around the corner and see the effects that will follow the enactment of this legislation. I am convinced that within a year the vast majority of World War veterans will realize that the demand for the immediate payment of the bonus at this time of nation-wide economic distress is a mistaken and short-sighted policy, which will not only cripple the Government but in the long run seriously injure the cause of the veterans.

The United States Government is paying the penalty for having muddled the bonus question, not once but often. In 1920, before I entered Congress, a settlement could have been made for \$1,250,000,000. We have already paid \$1,514,305,052 and still owe \$2,400,000,000. What we have paid and what we still owe amounts to \$3,914,305,052, which is \$2,664,305,052 more than the bonus demands could have been settled for in 1920. The chance to make another good settlement was lost when Harding vetoed the bonus bill. The bonus issue again became acute in 1924, at which time the Ways and Means Committee estimated that the veterans' demands could be settled for \$2,000,000,000. But Congress again refused to make a cash settlement and forced the veterans to accept certificates maturing in 1945.

On these certificates we have already paid \$1,514,305,052, and still owe \$2,400,000,000. So the adjusted compensation act will cost the American people \$3,914,305,052, or nearly \$2,000,000,000 more than the bonus claims could have been settled for in 1924, when the Republican organization in Congress, with whip and spur, forced the adjusted compensation law through Congress, in disregard of the wishes of the veterans, who asked for cash and not an insurance certificate payable in 20 years. If the Democratic plans had been adopted in 1920 or 1924 the Nation would have saved \$2,000,000,000 and the bonus question would now be ancient history and out of our way.

When the bonus question was pending in Congress in 1923-24, I contended that if the United States Government owed the veterans anything it should make payment in cash; just as it made settlement with its other creditors. But by a policy of evasion and delay, the Government was maneuvered into a position where it admitted an indebtedness and issued its promise to pay approximately \$4,000,000,000 in 1945, which was double the amount of cash the veterans would have accepted in 1924.

In 1920 the prosperity incident to the World War still continued; business was flourishing and billions of dollars flowed into the National Treasury. The Government at that time could easily have paid \$1,250,000,000 and the bonus question would have been settled for all time. In 1924, when the World War Adjusted Compensation act was passed, the country was very prosperous, and the Government was collecting billions of dollars in revenue. At that time the bonus demands could have been settled for \$2,000,000,000, which amount could have been paid without the people feeling the tax, and without causing even so much as a ripple on our financial seas. By making the kind of settlement that was made in 1924 the Government became obligated for \$2,000,000,000 more than the veterans at that time demanded in settlement of their bonus claims.

Now, I repeat, the Government is stewing in its own grease because it did not frankly and fairly deal with the veterans when their claim for adjusted compensation was presented in 1920 and 1924. The Government could have settled with the veterans at that time for a small fraction of what we will ultimately pay to liquidate these adjusted-service certificates.

By a lack of courage and vision, and as a result of unnecessary and unwise delays, the Government maneuvered itself into a position that will compel it to pay \$2,000,000,000 more than would have been required to settle these bonus claims in 1920 or 1924. Because these successive postponements and half-baked settlements have been so costly to the Government, I favor the liquidation of these certificates just as soon as an improvement in economic conditions will supply the necessary funds. The Government has confessed this debt and issued its obligations therefor. Every partial settlement, every equivocal adjustment but adds to the ultimate liabilities of the United States. But for the reasons that I have mentioned I am convinced that the passage of this bill at this time would be extremely unwise. I shall therefore vote "no" when the bill is put on its final passage, confident that my action will sooner or later be approved, not only by the great majority of the American people but by a large majority of veterans who, on sober second thought, will persuade themselves that the enactment of this legislation at this time would be a mistake.

Mr. CRISP. Mr. Chairman, will the gentleman yield a moment?

Mr. LOZIER. I yield.

Mr. CRISP. Mr. Chairman, I move that the committee now rise for the purpose of standing in recess.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. RAINEY] having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7726) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and had come to no resolution thereon.

Mr. CRISP. Mr. Speaker, I ask unanimous consent that when the House meets to-morrow the pending bill be the unfinished business to be considered to-morrow as of to-day; that consideration of bills on the Private Calendar, in order to-morrow, be dispensed with and that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER pro tempore. The gentleman from Georgia asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning; that consideration of bills on the Private Calendar, in order to-morrow, be dispensed with; and that the bill (H. R. 7726) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates be in order to-morrow as the unfinished business. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. NOLAN, for one week, on account of business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 1768. An act to provide for the opening and closing of roads within the boundaries of the District of Columbia workhouse property at Occoquan, Fairfax County, Va.;

S. 3929. An act to authorize the Commissioners of the District of Columbia to close certain alleys and to set aside land owned by the District of Columbia for alley purposes;

S. 4396. An act to provide for readjustment of street lines and the transfer of land for school, park, and highway purposes, in the northeast section of the District of Columbia, and for other purposes;

S. 4106. An act to provide for the closing of certain streets and alleys in the District of Columbia, and for other purposes;

S. 4689. An act to authorize the closing of certain streets in the District of Columbia rendered useless or unnecessary, and for other purposes; and

S. 4736. An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States Navy Yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes.

RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 429. Joint resolution to amend 625 (a) of the revenue act of 1932.

APPOINTMENT OF SPEAKER PRO TEMPORE

H. Res. 264. Resolution electing HENRY T. RAINEY, Speaker pro tempore during the absence of the Speaker.

RECESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the House stand in recess for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Accordingly (at 1 o'clock and 25 minutes p. m.) the House stood in recess until 1 o'clock and 35 minutes p. m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore at 1.35 o'clock p. m.

THE LATE REPRESENTATIVE EDWARD E. ESLICK

Mr. DAVIS. Mr. Speaker, I make the sad announcement that our distinguished and beloved colleague, Representative EDWARD E. ESLICK, of Tennessee, has passed away. He died at his post of duty while addressing the House in favor of the pending bill providing for the payment of adjusted-service certificates.

I have in my hand a portion of the speech which he had prepared as a conclusion, and I ask unanimous consent that his remarks may be extended in the Record by inserting the remainder of his speech.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The matter referred to follows:

Mr. ESLICK. The 4,300,000 World War veterans were the flower of our manhood. They were our fighting men, picked from 24,000,000 within the draft age. They turned their faces to the east to fight upon the fields where the master warriors—Napoleon and Wellington—had battled more than a hundred years ago. They went from the fields of peace to the shambles of the bloody battlefields of modern war.

They went to battle that free government might live, that world civilization might continue, and human happiness exist. The destiny of mankind was intrusted to them, and they did not betray that trust. They carried with them a courage that proclaimed new military tactics to the Old World—that the American soldier knew how to advance, but never knew the code of retreat.

When they started over there, our people blessed them and promised them a home and the best when they returned—their places would be waiting for them. Some of them did not return. They are sleeping "over there." Many of them came back. Washington, the Capital City, greeted them, the great and victorious American Army, as they marched down Pennsylvania Avenue. Immortal Woodrow Wilson reviewed them.

Soon the tumult and the shouting died away and their places were not given back to them. Their jobs were gone. They must take up the broken thread of life again. They started anew on life's unfinished road. They have passed 13 mileposts since Armistice Day.

And there was another parade on Pennsylvania Avenue. There was no President, no Commander in Chief, to review the ragged remnants of Pershing's own. As the shadows of the night fell, the shadows of the greatest American Army came; as one writer says, "the ghosts of war-time glory," paraded again. These men were among the victors in the battles of war—but defeated in the battles of civil life. They were the representation of a million of their buddies in the great army of the wholly unemployed—hungry, down and out—and another half million of their buddies employed from one to three days a week. These men come to the American Congress and say, "You paid everybody else in cash—we ask no charity. Be fair! Be fair to us!"

You say this is sentiment. I answer, yes; and ours is a patriotic, a sentimental people. Patriotism is born of sentiment. The monuments to the heroic dead proclaim the sentiment of our people. Bread for the living when hungry is a greater senti-

ment than stones for the dead. The payment of the veterans' certificates, which means bread to them and their families, is worth more than all the pomp and glory and flowers by the Tomb of the Unknown Soldier.

For one I shall vote that the veterans may have whatever comfort the payment of the balance of their certificates will bring to them.

Mr. BYRNS. Mr. Speaker, it is with the deepest sorrow that I announce the sudden passing of my colleague, the Hon. EDWARD E. ESLICK, of Tennessee. His death, occurring upon the floor of the House in the midst of a speech, came as a distinct shock to every Member of the House.

He was beloved and esteemed by every Member of the House, just as he was beloved and esteemed by every citizen in his State. No man was better known in Tennessee than ED ESLICK. No man was better loved in that State for his many splendid qualities of both mind and heart. For many years he has been prominent in the councils of the State, and when he came here as a Member in this House he quickly won a warm place in the hearts and in the affections of all his colleagues.

He was one of the most lovable characters I have ever known. I loved him devotedly, and this is true of every member of his delegation. He was quiet and reserved, but always sympathetic. He was a close student and a lover of the best in literature, and was one of the best-informed men I knew on every public question. He was an able and faithful representative of his people, and there is not one of them who will not feel a personal loss in his death.

On behalf of the entire House, I wish to extend the sincerest sympathy to Mrs. Eslick, his devoted and understanding wife, who was not only a comfort to him but a great help in his every undertaking.

He died as I know he would have preferred to die—here upon the floor of the House, the scene of his labors for a number of years and in the active discharge of his duties.

The Congress, the Nation, his State, and his congressional district have suffered a great loss in his passing.

Mr. Speaker, I need say no more, and I offer the resolution which I send to the Clerk's desk.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 265

Resolved, That the House has heard with profound sorrow of the death of Hon. EDWARD E. ESLICK, a Representative from the State of Tennessee.

Resolved, That a committee of 18 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER pro tempore. The Chair will appoint the funeral committee to-morrow. The Clerk will report the balance of the resolution.

The Clerk read as follows:

Resolved, That, as a further mark of respect, this House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 1 o'clock and 42 minutes p. m.) the House, in accordance with its previous order, adjourned until to-morrow, Wednesday, June 15, 1932, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

611. A letter from the Secretary of the Navy, transmitting a list of useless executive papers in the Navy Department that are no longer needed in connection with the transaction of public business and have no permanent value, and

requesting authority for the disposition thereof; to the Committee on Disposition of Useless Executive Papers.

612. A letter from the Secretary of War, transmitting a report dated June 13, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of, and review of report on, harbors at Block Island, R. I.; to the Committee on Rivers and Harbors.

613. A letter from the Secretary of War, transmitting a report dated June 11, 1932, from the Chief of Engineers, United States Army, on preliminary examination of East Branch of Shrewsbury River, N. J., from Highlands to Long Branch, and of East Branch of Shrewsbury River, N. J.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. STEVENSON: Committee on Printing. Senate Concurrent Resolution 29. A concurrent resolution authorizing the printing and distribution of copies of the Federal laws relating to the veterans of the various wars; with amendment (Rept. No. 1620). Referred to the House Calendar.

Mr. FULBRIGHT: Committee on Flood Control. H. R. 11551. A bill to amend section 3 of an act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," as amended; without amendment (Rept. No. 1622). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on the Public Lands. S. 763. An act to extend the provisions of the forest exchange act to lands adjacent to the national forests in the State of Oregon; without amendment (Rept. No. 1623). Referred to the Committee of the Whole House on the state of the Union.

Mr. NORTON: Committee on Agriculture. H. R. 12617. A bill to amend the Federal Farm Board act, approved June 15, 1929; without amendment (Rept. No. 1625). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CRUMP: Committee on Military Affairs. H. R. 6823. A bill for the relief of Caroline H. Adams; with amendment (Rept. No. 1621). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. S. 3602. An act authorizing the termination of a certain contract for the sale and purchase of the St. Johns Bluff Military Reservation, in Florida, and for other purposes; with amendment (Rept. No. 1624). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. NORTON: A bill (H. R. 12627) authorizing the sale of certain lands no longer required for public purposes in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. McSWAIN: Resolution (H. Res. 266) directing the Clerk of the House to have blank forms of appointment prepared for the use of Members of the House; to the Committee on Accounts.

By Mr. TIERNEY: Joint resolution (H. J. Res. 432) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. KELLER: Joint resolution (H. J. Res. 433) to remove age limit as a qualification for employment; to the Committee on the Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H. R. 12628) for the relief of Howard E. Fairley; to the Committee on Military Affairs.

By Mr. FOSS: A bill (H. R. 12629) granting a pension to Catherine T. McNamara; to the Committee on Pensions.

By Mr. GIBSON: A bill (H. R. 12630) granting an increase of pension to Jane L. Morris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12631) granting an increase of pension to Mary A. Glynn; to the Committee on Invalid Pensions.

By Mr. GILLEN: A bill (H. R. 12632) granting a pension to Roy Head; to the Committee on Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 12633) granting an increase of pension to Mira E. Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12634) granting a pension to Edward Bower; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 12635) granting an increase of pension to Annie E. Gamble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12636) granting a pension to Emma Lathero; to the Committee on Invalid Pensions.

By Mr. MANLOVE: A bill (H. R. 12637) granting an increase of pension to Alice B. Davis; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 12638), for the relief of Frederick Dickens; to the Committee on Claims.

By Mr. PRALL: A bill (H. R. 12639) to correct the military record of John Stockle; to the Committee on Military Affairs.

Also, a bill (H. R. 12640) to correct the military record of Joel Bates; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 12641) granting a pension to Amelia Richie; to the Committee on Pensions.

By Mr. TURPIN: A bill (H. R. 12642) for the relief of Harry M. Delahoy, alias John Brown; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8286. By Mr. ANDREWS of New York: Petition of 100 residents of the fortieth district of New York, favoring an investigation by a committee to be appointed of all veterans' compensation and pension laws; to the Committee on Economy.

8287. Also, copy of resolution adopted by the Niagara County (N. Y.) Board of Supervisors, favoring the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8288. By Mr. AYRES: Petition of residents and farmers in and near Douglass, Kans., favoring the repeal of the farm marketing act and abolishing of the Federal Farm Board; to the Committee on Agriculture.

8289. By Mr. KVALE: Petition of Northwestern Retail Coal Dealers Association, Minneapolis, Minn., urging that a committee be immediately appointed by Congress carefully to investigate the workings of all phases of our antitrust laws, and to propose such legislation as will permit cooperative agreements between sellers to such extent as may be necessary; to the Committee on the Judiciary.

8290. Also, petition of Northwest Retail Coal Dealers Association, Minneapolis, Minn., protesting against the passage of the Shipstead-Mansfield bill; to the Committee on Rivers and Harbors.

8291. Also, petition of Northwestern Retail Coal Dealers Association, Minneapolis, Minn., protesting against enactment of Senate bill 2935; to the Committee on Interstate and Foreign Commerce.

8292. Also, petition of Northwestern Retail Coal Dealers Association, in convention at Minneapolis, urging relief from a tax burden which is already in many cases confiscatory,

and favoring a footage tax on all natural gas transported and used, both in State and interstate commerce; to the Committee on Ways and Means.

8293. By Mr. MAAS: Petition of the Mendota Chapter, Daughters of the American Revolution, St. Paul, Minn., opposing any proposal to reduce the personnel of the Army and Navy, or that may operate to handicap the administration of the national defense act as now constituted; to the Committee on Appropriations.

8294. By Mr. RUDD: Petition of W. L. T. H. Broadcasting Co., Brooklyn, N. Y., favoring the passage of the Sirovich copyright bill, H. R. 10976, and the Chindblom amendment; to the Committee on Patents.

8295. By Mr. ESTEP: Memorial of Pittsburgh Hotel Men's Association, of Pittsburgh, Pa., protesting against the proposed cafeteria in the new Federal building at Pittsburgh, Pa.; to the Committee on Labor.

8296. By Mr. STEWART: Resolution of the Senate and House of Assembly of the State of New Jersey, requesting the appropriation of sufficient funds to carry out the provisions of the national defense act of 1920 and its accompanying legislation; to the Committee on Appropriations.

8297. By Mr. TEMPLE: Petition of Gayle Booker, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8298. Also, petition of Joseph Cicero, 1204 Jefferson Avenue, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8299. Also, petition of Ed Crumrine, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8300. Also, petition of Robert Douglas, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8301. Also, petition of R. P. Evans, chief clerk George Washington Hotel, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8302. Also, petition of Roland Fleming, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8303. Also, petition of M. P. Hagen, 221 North Main Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8304. Also, petition of Mrs. N. C. Haines, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8305. Also, petition of J. W. Johnson, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8306. Also, petition of B. C. Ketterman, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8307. Also, petition of Pauline Lindsay, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8308. Also, petition of Minnie E. Mitchell, 153 North Franklin Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8309. Also, petition of Miss A. Porter, 98 West Beau Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8310. Also, petition of Flora Porter, 98 West Beau Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8311. Also, petition of Kathryn McGahan, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8312. Also, petition of Huetta Montgomery, 555 West Chestnut Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8313. Also, petition of Meril Noble, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8314. Also, petition of Helen Novak, 174 South Main Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8315. Also, petition of Charles Reed, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8316. Also, petition of Ethel Riddle, 150 West Spruce Street, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8317. Also, petition of Steve Shamitko, of Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8318. Also, petition of Mrs. Harry Robertson, 255 Jefferson Avenue, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8319. Also, petition of J. R. Smithson, room clerk, George Washington Hotel, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8320. Also, petition of Walter Swesky, 75 Woodland Avenue, Washington, Pa., requesting the repeal of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JUNE 15, 1932

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Zebarny T. Phillips, D. D., LL. D., offered the following prayer:

O God, who art revealed not only in the power that has scattered worlds like dust of gold through the heavens but also in the silent force that chains the stars; renew in us the sense of Thy presence in the mysterious life which lives in human thought, creates the worlds of imagination, and images perfection, that in Thy companionship we may walk as children of light. Unbosom Thine own Self to us in the love that toils and weeps and bleeds for the sorrows of mankind, that by this inward revelation we may be guided and inspired. Kindle our minds with thoughts divine, open wide the doors of our hearts, that we may welcome Thee as Master of our lives. Speak Thou through our lips to-day, that in this hour of serving Thee we may have peace and joy and fellowship one with another. We ask it through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Monday last, when, on request of Mr. McNARY and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Cutting	Johnson	Oddie
Bankhead	Dale	Jones	Patterson
Barbour	Davis	Kean	Robinson, Ark.
Blaine	Fletcher	Kendrick	Robinson, Ind.
Bratton	Frazier	Keyes	Schall
Brookhart	George	King	Sheppard
Broussard	Glass	La Follette	Smoot
Bulkeley	Glenn	Logan	Thomas, Idaho
Byrnes	Gore	McGill	Thomas, Okla.
Capper	Hale	McKellar	Townsend
Caraway	Harrison	McNary	Trammell
Cohen	Hawes	Moses	Vandenberg
Coolidge	Hayden	Neely	Walsh, Mass.
Copeland	Hebert	Norbeck	Walsh, Mont.
Costigan	Howell	Norris	Watson
Couzens	Hull	Nye	

Mr. McNARY. I wish to announce that the Senator from Rhode Island [Mr. METCALF] and the Senator from Maine [Mr. WHITE] are detained in a committee meeting.

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. SWANSON] is detained from the Senate in attendance upon the disarmament conference at Geneva.